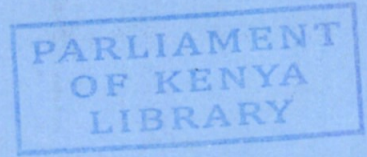


REPUBLIC OF KENYA



REPORT


OF

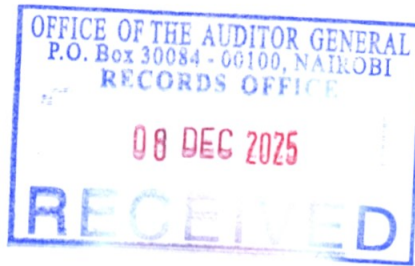
THE AUDITOR-GENERAL

ON

**NATIONAL GOVERNMENT CONSTITUENCIES
DEVELOPMENT FUND - RUIRU
CONSTITUENCY**

**FOR THE YEAR ENDED
30 JUNE, 2025**

| | |
|---|--------------------------------------|
|  THE NATIONAL ASSEMBLY PAPERS LAID | |
| DATE: 18 FEB 2026 | DAY: WED |
| TABLED BY: | MORRIS MORIS WIP HOW SILVANS JORD |
| CLERK-AT THE-TABLE: | OBIGRO |



NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND

RUIRU CONSTITUENCY

ANNUAL REPORT AND FINANCIAL STATEMENTS

**FOR THE FINANCIAL YEAR ENDED
30th JUNE 2025**

**Transitional IPSAS Financial Statements
Prepared in accordance with the Accrual Basis of Accounting Method Under International
Public Sector Accounting Standards (IPSAS)**

***National Government Constituencies Development Fund (NGCDF)
Ruiru Constituency
Annual Report and Financial Statements for The Year Ended June 30, 2025***

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1. Acronyms and Definition of Key Terms

A. Acronyms

| | |
|---------|---|
| AIE | Authority to Incur Expenditure |
| AC | Audit Committee |
| DCC | Deputy County Commissioner |
| IPSAS | International Public Sector Accounting Standards. |
| FAM | Fund Account Manager |
| NG-CDFB | National Government Constituencies Development Fund Board |
| NG-CDF | National Government Constituencies Development Fund |
| NG-CDFC | National Government Constituency Development Fund Committee |
| NSCA | National Sub-County Accountant |
| PFM | Public Finance Management |
| PMCs | Project Management Committees |
| PWD | Persons with Disability |
| FY | Financial Year |

B. Definition of Key Terms

Fiduciary Management- Members of Management directly entrusted with the responsibility of financial resources of the entity.

Comparative Year- Means the prior period.

2. Key Constituency Information and Management

(a) Background information

The National Government Constituencies Development Fund (NG-CDF) formerly Constituencies Development Fund (CDF), is established under the NG-CDF Act 2015 (amended 2023). The Act is a successor to the Constituencies Development Fund (CDF) Act of 2003 which initiated the Fund and its subsequent amendments/reviews of 2007 and 2013. At the cabinet level, NG-CDF is represented by the Cabinet Secretary for the Treasury, who is responsible for the Fund's general policy and strategic direction.

Mandate

The mandate of the Fund as derived from sec (3) of the NG-CDF Act, 2015, is to:

- a) Recognize the constituency as a platform for the identification, performance, and implementation of national government functions.
- b) Facilitate the performance and implementation of national government functions in all parts of the Republic pursuant to Article 6 (3) of the Constitution;
- c) Provide for the participation of the people in the determination and implementation of identified national government development projects at the constituency level pursuant to Article 10(2)(a) of the Constitution;
- d) Promote the national values of human dignity, equity, social justice, inclusiveness, equality, human rights, non-discrimination, and protection of the marginalized pursuant to Article 10(2)(b) of the Constitution;
- e) Provide for the sustainable development of all parts of the Republic pursuant to Article 10(2)(d) of the Constitution;
- f) Provide a legislative and policy framework pursuant to Article 21(2) of the Constitution for the progressive realisation of the economic and social rights guaranteed under Article 43 of the Constitution;
- g) Provide mechanisms for the National Assembly to exercise oversight over the performance of exclusive national government functions at the constituency level as provided for under Article 95 of the Constitution;

- h) Authorize withdrawal of money from the Consolidated Fund as provided under Article 206(2)(c) of the Constitution;
- i) Provide mechanisms for supplementing infrastructure development at the constituency level in matters falling within the exclusive functions of the national government at that level in accordance with the Constitution;
- j) Provide a framework for citizens-led development to assist the national government in planning and prioritizing the use of its resources;
- k) Create a harmonious relationship between citizens and the national government and its officers in local development;
- l) Provide a platform for citizens' participation in service delivery;
- m) Build local accountability and transparency in the use of resources; and
- n) Provide for a public finance system that promotes an equitable society and in particular expenditure that promotes equitable development of the country by making special provisions for marginalized groups and areas pursuant to Article 201(b)(iii) of the Constitution.

Vision

Equitable Socio-economic development countrywide.

Mission

To provide leadership and policy direction for effective and efficient management of the Fund.

Core Values

1. Transparency and Accountability
2. Professionalism and Integrity
3. Commitment and Teamwork
4. Neutrality and Objectivity
5. Timeliness and Excellence
6. Advocacy for Citizen Participation

***National Government Constituencies Development Fund (NGCDF)
Ruiru Constituency
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Functions of NG-CDF Committee

The functions of the NG-CDF Committee are outlined in section 11 of The National Government Constituencies Development Fund Regulations, 2016.

(b) Key Management

The NGCDF Ruiru Constituency's day-to-day management is under the following key organs:

- i. National Government Constituencies Development Fund Board (NGCDFB)
- ii. National Government Constituency Development Fund Committee (NGCDFC)

Fiduciary Management

The key management personnel who held office during the financial year ended 30th June 2025 and who had direct fiduciary responsibility were:

| No | Designation | Name |
|----|--------------------------------|----------------------|
| 1. | AIE holder | Phares Karanja |
| 2. | National Sub-County Accountant | Joseph Karanja Susan |
| 3. | Chairman NGCDFC | Peter Maina Njure |
| 4. | Member NGCDFC | Florence Njoki |
| 5. | Member NG CDFC | Daniel Mukundi |

(c) Fiduciary Oversight Arrangements

The Audit Committee of the NGCDF Board provides overall fiduciary oversight on the activities of the NGCDF Ruiru Constituency. The reports and recommendations of the Audit Committee, when adopted by the NGCDF Board, are forwarded to the Constituency Committee for action. The Board forwards any matters that require policy guidance to the Cabinet Secretary and National Assembly Select Committee.

(d) NGCDFB Constituency Headquarters

NGCDF Building
Opp. Ruiru Law Courts
Ruiru, KENYA.

(e) NGCDFB Constituency Contacts

P.O. Box 1250 - 00232 Ruiru
Telephone: (254) 702 733959
E-mail: ngcdf.go.ke
Website: www.ngcdf.go.ke/ruiru

(f) NGCDF Ruiru Constituency Bankers

1. Equity Bank (Operations Account)
0870261708315
Ruiru Branch
P.O. Box 1330-00232
2. Equity Bank (Deposit account).
0870285259649
Ruiru Branch
P.O. Box 1330-30200
3. Equity Bank (PMC Accounts)
Ruiru Branch
P.O. Box 1330-30200

(g) Independent Auditor






Auditor General
Office of the Auditor General
Anniversary Towers, University Way
P.O. Box 30084
GPO 00100
Nairobi, Kenya

National Government Constituencies Development Fund (NGCDF)
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(h) Principal Legal Adviser

The Attorney General
State Law Office
Harambee Avenue
P.O. Box 40112
City Square 00200
Nairobi, Kenya

3. NGCDF Committee

| Name | Details |
|---|--|
|  Peter Maina | DOB:11/09/83 Qualification: Diploma in Journalism – Journalist Passionate about Community Development and providing support for the underprivileged in society. He has worked with Ruiru NGCDF for close to three years. |
|  Teresiah Wanjiku | DOB:10/04/84 Qualification: Certificate in Early childhood education-Business Lady She has worked with Ruiru NGCDF for close to three years. |
|  Joseph Mwangi | DOB:01/01/69 Qualification: Secondary Level-Businessman. He has worked with Ruiru NGCDF for close to three years. He is passionate about mentoring young people to achieve their full potential. |
|  Daniel Mukundi | DOB: 12/07/03 Qualification: Diploma in ICT-Business Man He has worked with Ruiru NGCDF for close to three years. |
|  Florence Wanjiku | DOB:09/09/94 Qualification: Secondary Level-Community Worker. She recently joined the NGCDF and represent the youth's voice in the committee. |

National Government Constituencies Development Fund (NGCDF)
Ruiru Constituency
Annual Report and Financial Statements for The Year Ended June 30, 2025

| | |
|---|---|
|  | <p>DOB:01/01/88 Qualification: Certificate in Social work and community Development-Social Worker. He has worked with Ruiru NGCDF for close to three years. He is passionate about improving the lives of the differently abled in society.</p> |
|  | <p>DOB:30/08/83 Qualification: Diploma in Strategic Management-Business lady She has worked with Ruiru NGCDF for close to three years.</p> |
|  | <p>DOB:18/12/82 Qualification: Secondary Level - Business Lady She has worked with Ruiru NGCDF for close to three years.</p> |
|  | <p>Fund Account Manager A professional of many years experience in various fields including Governance, Strategy and Leadership, Procurement, Finance and Project Management</p> |

4. NG-CDFC Chairman's Report



Mr. Peter Maina
NG-CDFC Chairperson, Ruiru NGCDF

On behalf of NG-CDF Ruiru Constituency Committee and staff, I'm profoundly glad in presenting the FY 2024/2025 annual report and financial statements for the fund.

The NG-CDF Ruiru Constituency Committee continued to discharge its core mandate in prudent, transparent and accountable management of the fund, considering projects proposals as proposed by the residents of the NG-CDF Ruiru Constituency and ensure that all the approved projects meet the requirements of Sec24 of the NGCDF Act 2015, capacity building of the Project Management Committees (PMCs), monitoring and evaluation of the funded projects. As per the provision of the NGCDF Act 2015 (as amended in 2022), this was achieved mainly through timely disbursement of received funds to the PMCs, projects monitoring and regular NG-CDF meetings.

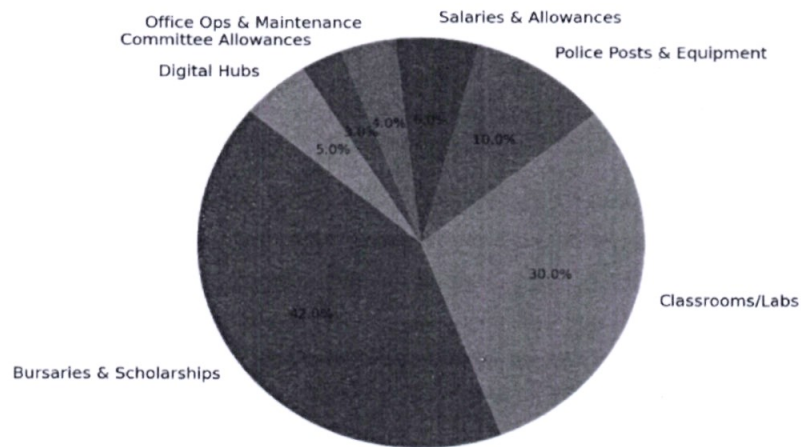
Budget Performance

In the financial year 2024/2025 NG-CDF Ruiru budget performance against actual amounts for current year based on economic classification and programmes, was not very impressive due to delay in disbursement of funds to the constituency by the NG-CDF Board. In the financial year ended June 30th, 2025, NG-CDF Ruiru had a cumulative approved budget of **Kshs 206,358,248** and seventy eight Percent (86%) of the budget was disbursed to the constituency by the NG-CDF Board within the financial year.

**National Government Constituencies Development Fund (NGCDF)
Ruiru Constituency
Annual Report and Financial Statements for The Year Ended June 30, 2025**

Statement of Financial Performance for the period ended 30th June 2025

Ruiru NG-CDF Adjusted Expenditure Breakdown (FY Ended 30th June 2025)



Key Achievements

Ruiru NG-CDF successfully completed construction of Classrooms, Toilet blocks in various primary School to ensure environment, and gave bursary to needy students. These projects have directly contributed to the betterment of our constituents' lives and have laid the foundation for sustained progress. Below are some of the projects implemented within the financial year.

Some of the projects we have been able to achieve are demonstrated below:

Mutuya Primary School



Ongoing Mutonya Primary School Project

The Committee has initiated the establishment of **Mutonya Primary School**, a new institution being developed from the ground up to meet the educational needs of the rapidly growing emigrant population within the Mutonya and Kamakis environs. This strategic investment will help ease congestion in existing schools and ensure that children in the area have access to quality, accessible, and safe learning facilities closer to their homes.



Emerging issues

- Increased number of requests from many primary schools who are in need of funds to construct classrooms and laboratories as a result of the recent reforms in the education sector i.e. JSS

Implementation challenges

1. Insufficient funds to cater for the community increasing demands against limited funds.
2. Extremely high expectations from the public with little regard to the legal limitations of what NGCDF can and cannot do. Some responsibilities like roads maintenance are within the province of devolved units.

Conclusion

In closing, I wish to thank my NGCDF team for their dedication to duty that has helped us achieve the good results that we report herein. I would also like to thank the NGCDF Board for the support given to us during the year under review. We remain grateful.

National Government Constituencies Development Fund (NGCDF)
Ruiru Constituency
Annual Report and Financial Statements for The Year Ended June 30, 2025

Going into the future, we commit to continue this partnership with all stakeholders and other partners with the singular aim of improving infrastructural facilities in our schools, supporting needy students and the youth as well as improving our various security installations in order to continuously improve the lives of our people.

In sum, we will continue on the high-performance trajectory that we have pursued over the last few years in order to continue to deliver tangible development for the benefit of our people



.....
Name: Peter Maina
Chairman NGCDF Committee

5. Statement Of Performance Against Predetermined Objectives for FY2024-2025

Introduction

Section 81 (2) (f) of the Public Finance Management Act, 2012 requires that, at the end of each financial year, the Accounting Officer, when preparing financial statements of each National Government entity in accordance with the standards and formats prescribed by the Public Sector Accounting Standards Board includes a statement of the national government entity's performance against predetermined objectives.

The key development objectives of the *NGCDF Ruiru Constituency 2024-2025* plan are to:

- 1.Improving the quality of education and enrollment levels*
- 2.Enhancing security in the region*
- 3.Promotion of sustainable use of natural resources and conservation of the environment*
- 4.Promoting youth development programs*
- 5.Improve on the quality-of-service delivery for Ruiru NG-CDF*

Progress on the attainment of Strategic development objectives

To implement and cascade the above development objectives to specific sectors, all the development objectives were made specific, measurable, achievable, realistic, and time-bound (SMART) and converted into development outcomes. Attendant indicators were identified for reasons of tracking progress and performance measurement. Below, we provide the progress on attaining the stated objectives:

| Sector | Objective | Outcome | Indicator | Performance |
|---------------|---|---|-----------------------------------|---|
| Education | <i>To improve access to education for primary, secondary and college levels</i> | <i>To increase enrollment in education for primary, secondary in Ruiru constituency</i> | <i>25 Institutions 15,918</i> | <i>In FY 2024/25 -we increased number of classrooms from 22 to 25 in the following schools/institutions: Mwalimu Farm primary, Mutuya</i> |

National Government Constituencies Development Fund (NGCDF)
Ruiru Constituency
Annual Report and Financial Statements for The Year Ended June 30, 2025

| | | | | |
|--------------------------------------|--|--|-----------------------|--|
| | <i>in Ruiru constituency</i> | | | <i>primary, Manguo school, Mutonya Primary, Kwangethe Secondary. - Bursary beneficiaries at all levels were as per the attached schedules</i> |
| Security | <i>To improve and enhance security in the whole constituency</i> | <i>To enhance security in Ruiru constituency</i> | <i>3 Projects</i> | <i>In FY 2024/25 -we increased number of security projects from 2 to 3 in the following: Kiu Chief's office, Mwalimu Farm Police Station and Kahawa Chief's office</i> |
| Climate change mitigation activities | <i>To improve and conserve the environment</i> | <i>Protect, restore and conserve the environment</i> | <i>1 institution</i> | <i>In FY 2024/25 -we increased number of the Water Harvesting projects by 1 at Mutuya Primary School</i> |
| Emergency | <i>To cater for unforeseen occurrences in the whole constituency</i> | <i>To improve development in the constituency</i> | <i>7 institutions</i> | <i>In FY 2024/25 -we intervened in 7 projects to offer emergency assistance</i> |

6. Governance Statement

Section 43 of the NG-CDF Act provides:

1. Each constituency shall have a Constituency Development Fund Committee.
2. The Committee includes:
 - One national government official coordinating functions
 - Two nominated men (one must be a youth)
 - Two nominated women (one must be a youth)
 - One person with a disability, nominated by a local disability group
 - Two nominated by the constituency office (under the Parliamentary Service Act)
 - One Board officer (ex officio, no voting rights)
 - One co-opted member nominated by the Board
3. The seven members in (b), (d), and (e) are selected based on qualifications set by the Board.

Appointment of NG-CDF Constituency Committee

1. NG-CDF Committee is established in every constituency.
2. Members include:
 - One national government official
 - Two nominated men (one must be a youth)
 - Two nominated women (one must be a youth)
 - One person with disability (nominated by a local group)
 - One Board officer (non-voting member)
 - One co-opted by the Board
3. Members listed in (b)–(e) are selected based on qualifications set by the Board.
4. Their names and relevant regulations are submitted to the National Assembly for approval.
5. The Committee must meet within 120 days of a new parliamentary term or by-election.
6. Quorum is half the members.
7. Term is 2 years, renewable, and ends when a new Committee is appointed.

NG-CDF Ruiru Process Summary

In December 2024, the Fund Account Manager (FAM) informed previous NG-CDFC members that their two-year term had expired, as per Section 43(8) of the NG-CDF Act and Regulation 5(2)(a), which require new committee formation after a parliamentary

National Government Constituencies Development Fund (NGCDF)
Ruiru Constituency
Annual Report and Financial Statements for The Year Ended June 30, 2025

term begins. Following this, FAM Ruiru Constituency advertised for new committee applicants and appointed a selection panel. The panel reviewed applications and listed qualified candidates. The Constituency Manager also nominated members. The Fund Account Manager submitted nominees to the NG-CDF Board CEO, and the approved members were gazetted on 29th November 2022 (VOL.CXXII-No.254).

Removal of NG-CDFC Members

Members may be removed under Section 43(13) of the NG-CDF Act, 2015 for reasons including:

- Violating the Constitution or law
- Lack of integrity or competence
- Unethical conduct or damaging committee reputation
- Causing internal conflict

At least 5 members must vote for removal after a fair hearing. The vacancy is filled per Section 10, and meeting minutes must record the change.

In Ruiru:

- Public complaints trigger a special NG-CDFC meeting and If valid, the fund manager writes to the Board with minutes
- The nominee's name is submitted for gazette and the member receives a termination letter

Roles of the committee;

The functions of a Constituency Committee shall be to:-

1. Build the capacity of project management committees and Committee and sensitize the Community on the operations of the Fund;
2. Consider all project proposals from all wards in the Constituency and any other
3. Ensure that project proposals submitted to the Board include detailed budget proposals, procurement plans and work plans in approving a project and before submitting the project to the Board for consideration, satisfy itself and make a declaration to the effect that such project (works and services) fall within the functions of the National Government under the Constitution;

National Government Constituencies Development Fund (NGCDF)
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4. Consult with relevant government departments to ensure that cost estimates for projects are realistic in considering joint projects, ensure that the participating constituencies enter into negotiations for effective implementation of such projects
5. Rank projects proposals in order of priority while ensuring that on-going projects take precedence

Number of meetings;

NG-CDF Act stipulates that NG-CDFC shall have a maximum of twenty-four meetings per year and not less than twelve including sub-committee meetings.

During the year under review, Ruiru Constituency NG-CDF Committee conducted twenty four (24) meetings.

**National Government Constituencies Development Fund (NGCDF)
Ruiru Constituency
Annual Report and Financial Statements for The Year Ended June 30, 2025**

| Names Of Committee Members | 8-07-24 | 21-07-24 | 12-08-24 | 26-08-24 | 25-09-24 | 29-09-24 | 21-10-24 | 16-10-24 | 25-10-24 | 13-11-24 | 24-11-24 | 15-12-24 | 08-01-25 | 22-01-25 | 17-02-25 | 25-02-25 | 13-03-25 | 24-03-25 | 26-03-25 | 02-04-25 | 22-04-25 | 26-05-25 | 03-06-25 | 16-06-25 |
|----------------------------|---------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|
| Peter Maina | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| Chairperson | | | | | | | | | | | | | | | | | | | | | | | | |
| Florence Wanjiku-Secretary | | | | | | | | | | | | | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| Joseph Mwangi | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| Anne Mwangi | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| Adeline Imbayi | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| Teresiah Wanjiku | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| Charles Karani | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| Daniel Mukundi | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |

Policy on conflict of interest;

The act specifies that any member with interest shall resign from the committee.

None of the NG-CDFC members declared any conflict of interest within the course of the year.

Remuneration of members;

The NG-CDFC members are to meet at least 6 meetings and not more than 24 meetings in a financial year. Members are to be facilitated at a rate of Kshs. 5,000 and the Chairperson Kshs. 7,000 per sitting.

Ethics and good conduct;

Regulation 6 requires that for one to serve as a member of the NG-CDF Committee. he or she must be:

- a) A citizen of Kenya.
- b) Ordinarily resident and a voter in the constituency:
- c) Able to read and write, and to communicate in English and Kiswahili.
- d) Meet the requirement of Chapter six of the Constitution of Kenya.

During the nomination of members, the FAM and selection panel made sure members met the requirements of chapter 6 of the constitution and were of good conduct.

Risk management;

It the responsibility of each committee member to be versed with the constituency risks and put in place measures to prevent and control them.

7. Environmental and Sustainability Reporting

The Constituency acknowledges that all its operation has an impact on environment. Cognizant of the Sustainable development goals, the NG-CDF has allocated part of its budget on environment conservation through activities such as tree planting, water conservation, sensitization forums for agro-forestry as well as best practices to reduce soil erosion. The Constituency has partnered with institutions of learning to ensure sustainability of the program.

1. Sustainability strategy and profile -

To ensure sustainability of Ruiru NG CDF, the committee funds the following key sectors with the following sustainable priorities.

- a. **Education and Training:** Ruiru Constituency's focus on human capital for constituency development is entrenched in its strategy to support needy and bright students from each ward of the constituency. The intention is to empower the constituents such that in years to come, the beneficiaries at secondary school levels would have transitioned to Tertiary institutions while those at tertiary level would have transitioned to the job market as employees or employers, thereby contributing positively to the economic growth of the constituency. This strategy takes care of both marginalized groups, including girls and people living with disabilities.
- b. **Security Sector Support:** Among its key pillars; NGCDF has security as a priority area with intention to provide better working environment for the security providers within the constituency as well a secure constituency. The strategy is to have a long-term collaborative working approach that enhances community engagement in security activities. This is aimed at eliminating crime and vices in the long run by providing a better working environment for the law enforcement agencies while collaborating with community in trust on matters of security.
- c. **Environment:** The Constituency acknowledges that all its operation has an impact on environment. Cognizant of the Sustainable development goals, the NG-CDF has allocated part of its budget on environment conservation through activities such as

tree planting, water conservation, sensitization forums for agro-forestry as well as best practices to reduce soil erosion.

- d. **Sports:** The NG-CDF has taken sports as a key pillar of cohesion and integration. To sustain this pillar, the strategy taken is that of developing skills through sports with intention of identifying, nurturing talent and encouraging physical fitness among the constituents.

2. Environmental performance

The Ruiru NG-CDF intends to support students carry out environmental conservation activities e.g. planting trees once in an academic calendar

Ensure Sensitization of youth/ community on the impact of drugs after by construction of Chiefs Offices and police stations supported NG-CDF.

3. Employee welfare

We invest in providing the best working environment for our employees. Ruiru constituency recruitment is guided by Employment Act, NGCDF Act and other regulations as issued from time to time. In line with the law and regulations, the Constituency offers equal opportunity to all while adhering to the one third gender rule and special groups. We also Recognize and appreciate of our employees for exemplary performance. The reward and sanctions system are based on performance appraisal.

The constituency promotes a healthy lifestyle and provides all employees with health insurance cover through a reliable insurance Scheme. Employees are encouraged and supported to continually build on their skills and knowledge. constituency invests in capacity building programs for employees. These include courses on technical competencies relevant to each employee and continuous sensitization on cross cutting issues.

The committee has a policy on safety in compliance with Occupational Safety and Health Act of 2007, (OSHA) and has ensured the work environment is conducive for everybody in terms of movement and accessibility within the office. The Constituency has also put in

place disaster mitigating measures including fire extinguishers and accessible escape routes in case of emergency.

4. Market place practices-

Ruiru Constituency is committed to fair and ethical market practices.

The Procurement of goods and services is done through a transparent and competitive bidding process that allows equal opportunities to all participants. We support local vendors drawn from the constituency for purposes of uplifting them economically. Our ethical market practises ensure the fund get value for money on all goods and services procured.

We are also committed to healthy relations with our suppliers which is enhanced through organized sensitization forums that relate to the procurement legal framework and ethical subject matters. We are dedicated to honouring all contracts and settling payments promptly.

NGCDF has put in efforts to ensure:

- a) Responsible competition practice by encouraging fair competition and zero tolerance to corruption
- b) Good business practice including cordial Supply chain and supplier relations by honouring contracts and respecting payment practices.
- c) Responsible marketing and advertisement
- d) Product stewardship by safeguarding consumer rights and interest.

5. Community Engagements-

Ruiru Constituency has endeavored to sustain community engagement through CSR as well as appreciating our existence through engaging local contractors and suppliers when necessary. We have also engaged the community through sports and community projects.

Public Participation in Project Identification and Implementation and Monitoring


Ruiru Constituency deliberated on project proposals from all the wards in the constituency and considered the most beneficial to the constituency, considering the national development plans and policies and the constituency strategic development plan. The identified list of priority projects, both immediate and long-term, was submitted to the NGCDF Board in accordance with the Act.

Public participation is the process that directly engages the concerned stakeholders in decision-making and gives full consideration to public input in making that decision. The NGCDF through the bursary program engaged the community through the community leaders to identify the needy students to be awarded with the bursary.

Public Awareness

This includes mechanisms for participation and cooperation with local, regional and national agencies, and for conducting community-based needs assessments and public awareness campaigns and holding community meetings.

Ruiru Constituency has continually practiced public participation and public awareness during project identification and proposal collections in all the wards in the constituency.


.....
Name: Phares Karanja
Fund Account Manager.

8. Management Discussion and Analysis

The NG-CDF Ruiru Constituency Committee continued to discharge its core mandate in prudent, transparent and accountable management of the fund, considering projects proposals as proposed by the residents of the NG-CDF Ruiru Constituency and ensure that all the approved projects meet the requirements of Sec 24 of the NGCDF Act 2015, capacity building of the Project Management Committees (PMCs), monitoring and evaluation of the funded projects. As per the provision of the NGCDF Act 2015 (as amended in 2022), this was achieved mainly through timely disbursement of received funds to the PMCs, projects monitoring and regular NG-CDF meetings.

Budget Performance

In the financial year 2024/2025 NG-CDF Ruiru budget performance against actual amounts for current year based on economic classification and programmes was affected by delayed disbursement of funds to the constituency by the NG-CDF Board,

In the financial year ended June 30th, 2025, NG-CDF Ruiru had a cumulative approved budget of **Kshs 206,358,248** and seventy eight Percent (86%) of the budget was disbursed to the constituency by the NG-CDF Board within the financial year.

Statement of Financial Performance for the period ended 30th June,2025

Key Achievements

Ruiru NG-CDF successfully completed construction of Classrooms, Toilet blocks in various primary School to ensure environment, and gave bursary to needy students. These projects have directly contributed to the betterment of our constituents' lives and have laid the foundation for sustained progress. Below are some of the projects implemented within the financial year.

Some of the projects we have been able to achieve are demonstrated below.

Manguo Primary School



Provision of Lockers and Chairs to Primary schools (JSS)



Emerging issues

- Increased number of requests from many primary schools who are in need of funds to construct classrooms and laboratories as a result of the recent reforms in the education sector i.e. JSS
- The increasing need to meet the changing demands of a technologically savvy population – hence our move towards establishing as many digital hubs as we possibly can with the limited resources.

Implementation challenges

1. Insufficient funds to cater for the community increasing demands against limited funds.
2. Extremely high expectations from the public with little regard to the legal limitations of what NGCDF can and cannot do. Some responsibilities like roads maintenance are within the province of devolved units.

In conclusion, the progress we have achieved this year is a testament to what is possible when communities, leaders, and partners work together with a shared vision. Despite limited resources, we have invested in education, infrastructure, and social welfare projects that will continue to uplift our people.

I extend my appreciation to the Project Management Committees, stakeholders, and residents for their unwavering support and collaboration. With your continued partnership, we remain committed to delivering projects that transform lives and secure a better future for all in Ruiru Constituency.



.....
Name: Phares Karanja

Fund Account Manager

9. Statement Of Management Responsibilities

Section 81 (1) of the Public Finance Management Act, 2012, requires that, at the end of each financial year, the accounting officer for a National Government Entity shall prepare financial statements in respect of that entity. Section 81 (3) requires the financial statements so prepared to be in a form that complies with relevant accounting standards as prescribed by the Public Sector Accounting Standards Board of Kenya from time to time.

The Accounting Officer in charge of the NGCDF-Ruiru Constituency is responsible for the preparation and presentation of the entity's financial statements, which give a true and fair view of the state of affairs of the entity for and as at the end of the financial year (period) ended on June 30, 2025. This responsibility includes: Maintaining adequate financial management arrangements and ensuring that these continue to be effective throughout the reporting period; Maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the entity; Designing, implementing, and maintaining internal controls relevant to the preparation and fair presentation of the financial statements, and ensuring that they are free from material misstatements, whether due to error or fraud; Safeguarding the assets of the entity; Selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

The Accounting Officer in charge of the NGCDF-Ruiru Constituency accepts responsibility for the entity's transitional financial statements, which have been prepared on the Accrual Basis Method of Financial Reporting, using appropriate accounting policies in accordance with International Public Sector Accounting Standards (IPSAS). The Accounting Officer is of the opinion that the *constituency's* financial statements give a true and fair view of the state of *entity's* transactions during the financial year ended June 30, 2025, and of the entity's financial position as at that date. The Accounting Officer charge of the NGCDF- Ruiru Constituency further confirms the completeness of the accounting records maintained for the *constituency*, which have been relied upon in the preparation of the entity's transitional financial statements as well as the adequacy of the systems of internal financial control.

National Government Constituencies Development Fund (NGCDF)
Ruiru Constituency
Annual Report and Financial Statements for The Year Ended June 30, 2025

The Accounting Officer in charge of the NGCDF Ruiru Constituency confirms that the *constituency* has complied fully with applicable Government Regulations and the terms of external financing covenants (where applicable), and that the entity's funds received during the year under audit were used for the eligible purposes for which they were intended and were properly accounted for. Further, the Accounting Officer confirms that the *constituency's* financial statements have been prepared in a form that complies with relevant accounting standards prescribed by the Public Sector Accounting Standards Board of Kenya.

In preparing the financial statements, the Committee has assessed the Fund's ability to continue as a going concern and disclosed as applicable. Nothing has come to the attention of the Committee that the Fund will not remain a going concern for at least the next twelve months from the date of this statement.

Approval of the financial statements

The NGCDF- Ruiru Constituency financial statements were approved and signed by the Accounting Officer on 5th December 2025.

.....


Name: Peter Maina
Chairman – NGCDF Committee

.....


Name: Phares Karanja
Fund Account Manager

REPUBLIC OF KENYA

Telephone: +254-(20) 3214000
Email: info@oagkenya.go.ke
Website: www.oagkenya.go.ke



HEADQUARTERS
Anniversary Towers
Monrovia Street
P.O Box 30084-00100
NAIROBI

REPORT OF THE AUDITOR-GENERAL ON NATIONAL GOVERNMENT CONSTITUENCIES DEVELOPMENT FUND - RUIRU CONSTITUENCY FOR THE YEAR ENDED 30 JUNE, 2025

PREAMBLE

I draw your attention to the contents of my report which is in three parts:

- A. Report on Financial Statements that considers whether the financial statements are fairly presented in accordance with the applicable financial reporting framework, accounting standards and the relevant laws and regulations that have a direct effect on the financial statements;
- B. Report on Lawfulness and Effectiveness in the Use of Public Resources which considers compliance with applicable laws, regulations, policies, gazette notices, circulars, guidelines and manuals and whether public resources are applied in a prudent, efficient, economic, transparent and accountable manner to ensure the Government achieves value for money and that such funds are applied for the intended purpose; and,
- C. Report on Effectiveness of Internal Controls, Risk Management and Governance which considers how the entity has instituted checks and balances to guide internal operations. This responds to the effectiveness of the governance structure, risk management environment and internal controls, developed and implemented by those charged with governance for orderly, efficient and effective operations of the entity.

A Qualified Opinion is issued when the Auditor-General concludes that, except for material misstatements noted, the financial statements are fairly presented in accordance with the applicable financial reporting framework. The Report on Financial Statements should be read together with the Report on Lawfulness and Effectiveness in the Use of Public Resources, and the Report on Effectiveness of Internal Controls, Risk Management and Governance.

The three parts of the report are aimed at addressing the statutory roles and responsibilities of the Auditor-General as provided by Article 229 of the Constitution, the Public Finance Management Act, 2012, and the Public Audit Act, 2015. The three parts of the report when read together constitute the report of the Auditor-General.

REPORT ON THE FINANCIAL STATEMENTS

Qualified Opinion

I have audited the accompanying transitional IPSAS financial statements of National Government Constituencies Development Fund - Ruiru Constituency set out on pages 1 to 65, which comprise of the statement of financial position as at 30 June, 2025 and the

statement of financial performance, statement of changes in net assets, statement of cash flows and statement of comparison of budget and actual amounts for the year then ended and a summary of significant accounting policies and other explanatory information in accordance with the provisions of Article 229 of the Constitution of Kenya and Section 35 of the Public Audit Act, 2015. I have obtained all the information and explanations which to the best of my knowledge and belief, were necessary for the purpose of the audit.

In my opinion, except for the effect of the matters described in the Basis for Qualified Opinion section of my report, the transitional IPSAS financial statements present fairly, in all material respects, the financial position of National Government Constituencies Development Fund - Ruiru Constituency as at 30 June, 2025 and of its financial performance and its cash flows for the year then ended, in accordance with International Public Sector Accounting Standards Accrual Basis including the transitional provisions permitted under IPSAS 33 and comply with the National Government Constituencies Development Fund Act, 2015, (Amended 2023), the Public Finance Management Act, 2012 and The National Treasury and Economic Planning Circular No.3 of 14 April, 2025.

Basis for Qualified Opinion

1. Inaccuracies in the Financial Statements

Review of financial statements revealed the following inconsistencies;

- i. Comparison of the reported amounts in the Notes to the financial statements with supporting ledger balances revealed variances as analyzed below:

| Particulars | Description | Notes to the Financial Statements Amounts (Kshs) | Ledger Balance (Kshs) | Variance (Kshs) |
|--------------------|--|---|------------------------------|------------------------|
| Note 13 | Other Government Units Actual Expenditure | | | |
| | Primary Schools | 47,442,503 | 40,803,432 | 6,639,071 |
| | Secondary School | 19,626,581 | 17,200,000 | 2,426,581 |
| | Tertiary Institutions | 144,115 | 3,220,000 | - |
| | | | | 3,075,885 |
| Note 14 | Other Grants and Transfers Actual Expenditure | | | |
| | Security Projects | 516,665 | 3,000,000 | - |
| | | | | 2,483,335 |
| | Emergency Projects | 4,357,010 | 5,246,969 | -889,959 |
| | Others (Deo Office, Land Registry, Law Court) | 5,433,016 | 912,691 | 4,520,325 |
| | Climate Mitigation | 272,773 | 300,000 | -27,227 |
| Note 16 | Digital Hubs Expenses | 7,356,577 | 6,400,000 | 956,577 |

- ii. Comparison of prior year balances and comparatives balances in the financial statements for the year under review revealed that the statement of financial position

reflects gratuity provision comparative amount of Kshs.208,645 while the prior year audited financial statements reflects a balance of Kshs.83,458 resulting to an unreconciled variance of Kshs.125,187. Further, the statement of changes in net assets reflects adjustment for assets recognition totalling Kshs.70,186,625 which was not supported with approved journal entry vouchers to justify the adjustment. Further, an explanatory note was not included in the financial statements to disclose or explain the nature of the adjustment as required by IPSAS 3.

- iii. The statement of cash flows reflects employee costs amount of Kshs.2,731,641 while the statement of financial performance and Note 10 to the financial statements reflects an amount of Kshs.3,310,419 resulting to a variance of Kshs.578,778. However, the unpaid provision for gratuity shown in Note 29 to the financial statements is Kshs.787,423 resulting to an unexplained variance of Kshs.208,645.
- iv. The statement of cash flows reflects an amount of Kshs.8,852,617 for use of goods and services whereas the statement of financial performance reflects an amount of Kshs.8,856,035 resulting to an unexplained variance of Kshs.3,418 with no corresponding payable to support the variance.
- v. The ledgers provided for audit indicated a PMC saving of Kshs.42,970 which has not been disclosed in the statement of cash flows.
- vi. Note 30 to the financial statements relating to cash generated from operations reflects depreciation amount of Kshs.273,150 while the statement of financial performance and Note 14 to the financial statement reflects an amount of Kshs.229,050 resulting to an unreconciled variance of Kshs.44,100. Further, the Note reflects changes in prepayments of Kshs.6,207 against an amount of Kshs.7,318 as per the statement of financial position resulting to an unreconciled variance of Kshs.1,111.

In the circumstances, the accuracy and completeness of the financial statements could not be confirmed.

2. Inconsistencies in Cash and Cash Equivalents

The statement of financial position reflects cash and cash equivalents comparative balance of Kshs.127,975,032 while the corresponding Note 19 to the financial statements reflects a comparative balance of Kshs.123,986,787 resulting to an unreconciled variance of Kshs.3,988,245. Further, the comparative cash and cash equivalents balance includes a deposit account balance of Kshs.274,470 while the prior year audited financial statements reflects a deposit account balance of Kshs.149,483 resulting to an unreconciled variance of Kshs.124,987.

Further, the cash and cash equivalents balance of Kshs.136,522,374 in the year under review includes a balance of Kshs.107,476,585 held in the operations account as disclosed in Note 19 to the financial statements. Review of the bank reconciliation

statements of the operations account revealed a cash book balance of Kshs.107,476,585 and bank balance of Kshs.116,419,743 resulting to a variance of Kshs.8,943,158 which were unrepresented cheques of Kshs.8,949,205 and direct deposits of Kshs.6,000 respectively. The unrepresented cheques outstanding had not been dated and it was not possible to verify for how long the cheques had remained outstanding.

In the circumstances, the accuracy and completeness of the cash and cash equivalents balance of Kshs.136,522,374 could not be confirmed.

3. Unsupported and Unutilized Project Management Committee Bank Balances

The statement of financial position and Note 19 to the financial statements reflects a balance of Kshs.136,522,374 for cash and cash equivalents which includes an amount of Kshs.28,196,441 for Project Management Committee accounts as detailed on Annex 2 to the financial statements. However, no explanation was provided on why the unutilized funds totalling Kshs.121,457 as detailed below were not returned to the Constituency account despite the projects being complete and all payments completed.

| PMC | Balance (Kshs) |
|----------------------|-----------------------|
| St. George's Primary | 2,631 |
| Ngewe Primary | 23,370 |
| Mwiki Primary | 5,089 |
| Gikumari Primary | 31,568 |
| Gatongora Primary | 1,007 |
| Githunguri Primary | 5,293 |
| Kwihota Primary | 14,887 |
| Kahawa Wendani | 23,913 |
| Githurai DEO Office | 13,700 |
| Total | 121,457 |

Further, the cash books for the Project Management Committees balances were not provided for review to confirm the accuracy of the reported balances.

In the circumstances, the accuracy and completeness of the cash and cash equivalents balance of Kshs.136,522,374 could not be confirmed.

The audit was conducted in accordance with International Standards of Supreme Audit Institutions (ISSAIs). I am independent of the National Government Constituencies Development Fund - Ruiru Constituency Management in accordance with ISSAI 130 on the Code of Ethics. I have fulfilled other ethical responsibilities in accordance with the ISSAI and in accordance with other ethical requirements applicable to performing audits of financial statements in Kenya. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

Emphasis of Matter

Budgetary Control and Performance

The statement of comparison of budget and actual amounts reflects final receipts budget and actual on comparable basis of Kshs.370,640,687 and Kshs.317,849,971 respectively resulting to an under-funding of Kshs.52,790,716 or 14% of the budget. Similarly, the Fund spent Kshs.181,327,598 against actual receipts of Kshs.317,849,971 resulting to an under-utilization of Kshs.136,522,373 or 43% of actual receipts.

The under-funding and under-utilization affected the planned activities and may have impacted negatively on service delivery to the public.

My opinion is not modified on this matter.

Key Audit Matters

Key audit matters are those matters that, in my professional judgement, are of most significance in the audit of the financial statements. Except for the effect of the matters described in the Basis for Qualified Opinion section, I have determined that there are no other key audit matters to communicate in my report.

Other Matter

Unresolved Prior Year Matters

In the prior years' audit reports, several issues were raised under the Report on Financial Statements, Lawfulness and Effectiveness in Use of Public Resources and Effectiveness of Internal Controls, Risk Management and Governance, respectively. Review of the status during audit of National Government Constituencies Development Fund - Ruiru Constituency in 2023/2024 revealed that the following matters remained unresolved:

| | Financial Year | Audit Issue |
|----|----------------|--|
| 1. | 2023/2024 | Unsupported and Unutilized PMC Bank Balances |
| 2. | 2023/2024 | Budgetary Control and Performance |
| 3. | 2023/2024 | Irregular Motor Vehicle Maintenance Expenditure |
| 4. | 2023/2024 | Irregularities in Implementation of Primary and Secondary School's Projects |
| 5. | 2023/2024 | Irregularities in Implementation of Projects Relating to Other Grants and Transfers. |

Other Information

The Management is responsible for the Other Information set out on page iii to xxix which comprise of Key Constituency Information and Management, NGCDF Chairman's Report, Statement of Performance against Predetermined Objectives, Governance Statement,

Management Discussion and Analysis, Environmental and Sustainability Reporting and Statement of Managements Responsibilities. The Other Information does not include the financial statements and my audit report thereon.

In connection with my audit on the National Government Constituencies Development Fund - Ruiru Constituency financial statements, my responsibility is to read the Other Information and in doing so, consider whether the Other Information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If based on the work I have performed, I conclude that there is a material misstatement of this Other Information and I am required to report that fact. I have nothing to report in this regard.

My opinion on the financial statements does not cover the Other Information and accordingly, I do not express an audit opinion or any form of assurance conclusion thereon.

REPORT ON LAWFULNESS AND EFFECTIVENESS IN THE USE OF PUBLIC RESOURCES

Conclusion

As required by Article 229(6) of the Constitution, based on the audit procedures performed, except for the effect of the matters described in the Basis for Conclusion on Lawfulness and Effectiveness in the Use of Public Resources section of my report, I confirm that nothing else has come to my attention to cause me to believe that public resources have not been applied lawfully and in an effective way.

Basis for Conclusion

1. Failure to Adhere to Guidelines on Transition from Cash to Accrual Basis of Accounting

Audit review of the Fund's preparedness to transition from cash to accrual established the following compliance gaps;

- i. Formation of the Entity Steering Committee - Each Accounting Officer of an implementing public entity is required to establish a cash to accrual transition committee at entity level to oversee and direct the transition process over the three years at the entity level which was not formed.
- ii. Appointment of Entity Project Manager - The Accounting Officer should appoint a project manager from among the staff to be a liaison person between the steering committee and the technical committee at the National level and to report to the Accounting Officer on progress of the transition at entity level who was not appointed.

- iii. Accounting Officers are required to appoint Asset Management officer to support the transition to accrual accounting for assets who was not appointed.

This was in violation of Treasury Circular No.03/2025 dated 14 April, 2025 on Guidelines on Transition from Cash to Accrual Accounting by The National Government, County Government and their respective entities Section 2.0 on specific guidelines on transition.

In the circumstances, Management was in breach of the law.

2. Non-Compliance with National Cohesion and Integration Act, 2008 on Ethnic Diversity

The statement of financial performance and Note 10 to the financial statements reflect an amount of Kshs.3,310,419 for employee costs. Review of employee records for the Fund revealed that the dominant ethnic community employed constitutes 71% or five (5) of the total population of seven (7) staff. This was 38% above the provision of National Cohesion and Integration Act, 2008 which provides that no public establishment shall have more than one third of its staff from the same ethnic community.

In the circumstances, Management was in breach of the law.

4. Underrepresentation of Persons with Disabilities

The statement of financial performance and Note 10 to the financial statements reflects an amount of Kshs.3,310,419 for employee costs. Review of staff composition indicates that none of the seven (7) employees were identified as persons with disabilities (PWDs). This was contrary to the provisions of the Persons with Disability Act, 2025-part II, Section 4 (Obligations of the National and County Governments) which requires organizations to promote the inclusion and integration of persons with disability in the public service and put in place measures to ensure that at least five (5%) per centum of the employment positions are filled by persons with disability.

In the circumstances, Management was in breach of the law.

4. Failure to Deduct Tax on Sitting Allowances

The statement of financial performance and as disclosed in Note 11 to the financial statements reflects Committee expenses amounting to Kshs.6,420,600 relating to committee members expenses. However, 30% tax of on payments totalling Kshs.2,310,000 amounting to Kshs.693,000 had not been deducted as tabulated below;

| Pv No | Date | Total (Kshs) | Tax 30% |
|--------------|-------------------|---------------------|----------------|
| 138 | 23 March, 2025 | 266,000 | 79,800 |
| 69 | 29 November, 2024 | 266,000 | 79,800 |
| 114 | 30 January, 2025 | 266,000 | 79,800 |

| Pv No | Date | Total (Kshs) | Tax 30% |
|--------------|---------------|---------------------|----------------|
| 113 | 05 June, 2025 | 312,000 | 93,600 |
| 198 | 05 June, 2025 | 287,000 | 86,100 |
| 212 | 25 June, 2025 | 286,000 | 85,800 |
| 210 | 29/05/2025 | 315,000 | 94,500 |
| | Total | 2,310,000 | 693,000 |

This was contrary to Income Tax Act, 2014, Cap 470, Section 130(10)(1) which provides that before the tenth day following the end of every month or before any other day which may be notified to him by the Commissioner, an employer shall, subject to paragraph (2), pay, to such person as the Commissioner shall direct, all amounts of tax which the employer has deducted under these Rules during that month.

In the circumstances, Management was in breach of law.

5. Failure to Deduct Public Procurement Capacity Building Levy

The statement of financial performance and Note 12 to the financial statements reflects an amount of Kshs.8,856,035 for use of goods and services. Review of a sample of payment vouchers provided for audit revealed that the Fund made payments amounting to Kshs.3,759,642 to various suppliers under public procurement contracts. However, these payments were not subjected to the mandatory Public Procurement Capacity Building Levy of 0.03% amounting to Kshs.972. This was contrary to Public Procurement Regulatory Authority (PPRA) Circular No. Ref: PPRA/6/5/VOL.II (224) dated 30 August, 2024, which provides that there shall be paid a levy by a supplier on all procurement contracts signed between the supplier and procuring entity, at the rate of zero-point zero three per centum (0.03%) of the value of the signed contract, exclusive of applicable taxes.

In the circumstances, Management was in breach of law.

6. Non-Compliance with Set Criteria in Awarding of Bursaries

The statement of financial performance and Note 14 to the financial statements reflects other grants and transfers amounting to Kshs.87,611,464 which includes bursary expenditure amounting to Kshs.77,032,000 which constitutes of bursaries to secondary schools of Kshs.73,025,500 and tertiary institutions of Kshs.4,006,500. Examination of sampled bursary application forms revealed that the forms had no evidence of vetting by Education bursary, Mock examinations and Continuous assessment tests Committee. This was contrary to Regulation 21(3) of the National Government Constituencies Development Fund Regulations, 2016 which provides that a Constituency Committee shall vet all applicants for bursary consideration in accordance with guidelines issued by the Board.

In the circumstances, Management was in breach of the law.

7. Irregular Branding of Projects

The statement of financial performance and Note 13 and Note 14 to the financial statements reflects expenditure amounts of Kshs.67,213,199 for other Government units and Kshs.87,611,464 for other grants and transfers respectively which include projects implemented by the Fund. Physical inspection of projects implemented by the Fund carried out on 13 November, 2025 revealed that the projects were branded with the names of the area Member of the National Assembly as detailed below;

| Project Name | Location |
|---|---------------------------------------|
| Office Extension | Land Registry Ruiru Constituency |
| Construction of 4 Room Office Block | Mwalimu Farm Police Post |
| Construction of Ablution Block and Sentry | Ruiru Technical College |
| Construction of Sewer Line | Ruiru Boys |
| Construction of 2 Classrooms with Roof Slab and Stair Case | Devki Ruiru Township Secondary School |
| Construction of 2 No Classrooms and Ablution Block | Mwalimu Farm Primary School |
| Construction of 2 Classrooms to Completion/Construction of Ablution Block and Staff Toilets | Mutuya Primary School |
| Renovation of 18 No Doors Toilet Block | Kwangethe Primary School |

This was contrary to Section 25(3) of the National Government Constituencies Development Fund Act, 2015 which requires that funds provided under this Act shall not be used for the purpose of supporting political bodies or political activities or for supporting religious bodies or religious activities.

In the circumstances, Management was in breach of the law.

The audit was conducted in accordance with ISSAI 3000 and ISSAI 4000. The standards require that I comply with ethical requirements and plan and perform the audit to obtain assurance about whether the activities, financial transactions and information reflected in the financial statements comply in all material respects, with the authorities that govern them. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

REPORT ON EFFECTIVENESS OF INTERNAL CONTROLS, RISK MANAGEMENT AND GOVERNANCE

Conclusion

As required by Section 7(1)(a) of the Public Audit Act, 2015, based on the audit procedures performed, I confirm that nothing has come to my attention to cause me to believe that internal controls, risk management and governance were not effective.

Basis for Conclusion

The audit was conducted in accordance with ISSAI 2315 and ISSAI 2330. The standards require that I plan and perform the audit to obtain assurance about whether effective processes and systems of internal controls, risk Management and overall governance were operating effectively in all material respects. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my conclusion.

Responsibilities of the Management and those Charged with Governance

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Public Sector Accounting Standards (Accrual Basis) and for maintaining effective internal controls as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error and for its assessment of the effectiveness of internal controls, risk management and governance.

In preparing the financial statements, Management is responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management is aware of the intention to cease operations.

Management is also responsible for the submission of the financial statements to the Auditor-General in accordance with the provisions of Section 47 of the Public Audit Act, 2015.

In addition to the responsibility for the preparation and presentation of the financial statements described above, Management is also responsible for ensuring that the activities, financial transactions and information reflected in the financial statements comply with the authorities which govern them and that public resources are applied in an effective way.

Those charged with governance are responsible for overseeing the Fund's financial reporting process, reviewing the effectiveness of how Management monitors compliance with relevant legislative and regulatory requirements, ensuring that effective processes and systems are in place to address key roles and responsibilities in relation to governance and risk management, and ensuring the adequacy and effectiveness of the control environment.

Auditor-General's Responsibilities for the Audit

My responsibility is to conduct an audit of the financial statements in accordance with Article 229(4) of the Constitution, Section 35 of the Public Audit Act, 2015 and the International Standards of Supreme Audit Institutions (ISSAIs). The standards require that, in conducting the audit, I obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error and to issue an auditor's report that includes my opinion in accordance with Section 48 of the Public Audit Act, 2015. Reasonable assurance is a high level of assurance but is

not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

In conducting the audit, Article 229(6) of the Constitution also requires that I express a conclusion on whether or not in all material respects, the activities, financial transactions and information reflected in the financial statements are in compliance with the authorities that govern them and that public resources are applied in an effective way. In addition, I consider the entity's control environment in order to give an assurance on the effectiveness of internal controls, risk management and governance processes and systems in accordance with the provisions of Section 7(1)(a) of the Public Audit Act, 2015.

Further, I am required to submit the audit report in accordance with Article 229(7) of the Constitution.

Detailed description of my responsibilities for the audit is located at the Office of the Auditor-General's website at: <https://www.oagkenya.go.ke/auditor-generals-responsibilities-for-audit/>. This description forms part of my auditor's report.


FCPA Nancy Gathungu, SBS
AUDITOR-GENERAL


11 December, 2025

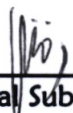
National Government Constituencies Development Fund (NGCDF)
Ruiru Constituency
Annual Report and Financial Statements for The Year Ended June 30, 2025


11. Statement of Financial Performance for the Year Ended 30th June 2025

| | Note | 2024/2025 Kshs |
|---|------|--------------------|
| Revenue from non-exchange transactions | | |
| Transfers from the NGCDF Board | 6 | 206,358,248 |
| Transfers from domestic and foreign partners | 7 | - |
| Revenue from exchange transactions | | |
| Finance income | 8 | - |
| Miscellaneous income | 9 | - |
| Total revenue | | 206,358,248 |
| Expenses | | |
| Employee costs | 10 | 3,310,419 |
| Committee expenses | 11 | 6,420,600 |
| Use of Goods and Services | 12 | 8,856,035 |
| Other Government Units Actual expenditure | 13 | 67,213,199 |
| Other Grants and Transfers Actual expenditure | 14 | 87,611,464 |
| Depreciation and amortization expense | 15 | 229,050 |
| Digital Hubs Expenses Actual expenditure | 16 | 7,356,577 |
| Total expenses | | 180,997,343 |
| Other gains/(losses) | | |
| Gain/Loss on Sale of Assets | 17 | - |
| Impairment loss | 18 | - |
| Surplus/(Deficit) for the year | | 25,360,904 |

The Constituency financial statements were approved by the NGCDFC on 5th December 2025 and signed by:


 Chairman NG-CDF
 Committee
 Name: Peter Maina


 National Sub-County
 Accountant
 Name: Joseph Karanja
 ICPAK M/No: 10213


 Fund Account Manager
 Name: Phares Karanja


National Government Constituencies Development Fund (NGCDF)
Ruiru Constituency
Annual Report and Financial Statements for The Year Ended June 30, 2025


12. Statement Of Financial Position as at 30th June, 2025

| | Note | 2024/2025 | Opening Statement 1st July 2024 |
|--|------|--------------------|---------------------------------|
| | | Kshs | Kshs |
| Assets | | | |
| Current Assets | | | |
| Cash And Cash Equivalents | 19 | 136,522,374 | 127,975,032 |
| Receivables from Exchange Transactions | 20 | - | - |
| Receivables from Non-Exchange Transactions | 21 | 52,790,716 | 36,307,407 |
| Prepayments | 22 | 66,353 | 73,671 |
| Total Current Assets | | 189,379,442 | 164,356,110 |
| Non-Current Assets | | | |
| Property, Plant and Equipment | 23 | 912,450 | - |
| Intangible Assets | 24 | - | - |
| Right-of-use assets | 25 | - | - |
| Total Non- Current Assets | | 912,450 | - |
| Total Assets (A) | | 190,291,892 | 164,356,110 |
| Liabilities | | | |
| Current Liabilities | | | |
| Trade and Other Payables | 26 | - | - |
| Third Party Deposits | 27 | 61,925 | 65,825 |
| Lease Liabilities | 28 | - | - |
| Gratuity Provision | 29 | 787,423 | 208,645 |
| Total Current Liabilities | | 849,348 | 274,470 |
| Non-Current Liabilities | | | |
| Lease Liabilities | 28 | - | - |
| Total Liabilities (B) | | 849,348 | 274,470 |
| Net Assets (A-B) | | 189,442,544 | 164,081,640 |
| Represented by: | | | |
| Revaluation Reserves | | | |
| Accumulated Surplus | | 189,442,544 | 164,081,640 |
| Total Net Assets | | 189,442,544 | 164,081,640 |

The Constituency financial statements were approved by NGCDFC on 5th December 2025 and signed by:


 Chairman NG-CDF
 Committee
 Name: Peter Maina


 National/Sub-County
 Accountant
 Name: Joseph Karanja
 ICPAK M/No: 10213


 Fund Account Manager
 Name: Phares Karanja

National Government Constituencies Development Fund (NGCDF)
Ruiru Constituency
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
13. Statement of Changes in Net Assets for the year ended 30 June 2025

| Description | Revaluation Reserves | Accumulated surplus/Deficit | Total |
|---|----------------------|-----------------------------|--------------------|
| | | Kshs | Kshs |
| Fund Balance as at 30 th June 2024 | 93,895,015 | - | 93,895,015 |
| Adjustments | | | |
| Recognition of Assets | 70,186,625 | | 70,186,625 |
| Recognition of Liabilities | - | | - |
| As at July 1, 2024 | 164,081,640 | | 164,081,640 |
| | | | |
| Surplus/(Deficit) For the Period | 25,360,904 | | 25,360,904 |
| Revaluation Gain/Loss | - | - | - |
| As at June 30, 2025 (current year) | 189,442,544 | | 189,442,544 |


The Constituency financial statements were approved by NGCDFC on 5th December 2025 and signed by:



 Chairman NG-CDF
 Committee
 Name: Peter Maina



 National/Sub-County
 Accountant
 Name: Joseph Karanja
 ICPAK M/No: 10213





 Fund Account Manager
 Name: Phares Karanja


National Government Constituencies Development Fund (NGCDF)
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14. Statement Of Cash Flows for The Year Ended 30th June 2025

| | Notes | 2024/2025 Kshs |
|---|-------|--------------------|
| Cash flows from operating activities | | |
| Receipts | | |
| Transfers from the NGCDF Board | | 189,874,939 |
| Transfers from domestic and foreign partners | | - |
| Finance income | | - |
| Miscellaneous income | | - |
| Total Receipts | | 189,874,939 |
| Payments | | |
| Employee costs | | 2,731,641 |
| Committee expenses | | 6,420,600 |
| Use of Goods and Services | | 8,852,617 |
| Other Government Units Certified Works | | 67,213,199 |
| Other Grants and Transfers | | 87,611,464 |
| Digital Hubs Expenses | | 7,356,577 |
| Total Payments | | 180,186,098 |
| Net Cash Flows from/ (used in) Operating Activities | 30 | 9,688,842 |
| Cash flows From Investing Activities | | |
| Purchase of PPE | | (1,141,500) |
| Purchase of Intangible assets | | - |
| Proceeds From Sale of PPE | | - |
| Net Cash Flows from Investing Activities | | (1,141,500) |
| Net increase/(decrease) in cash & Cash equivalents | | 8,547,342 |
| Cash Flows from Financing Activities | | |
| Lease Payment | | - |
| Net Cash Flows from Financing Activities | | 8,547,342 |
| Cash and cash equivalents at 1 July | 17 | 127,975,032 |
| Cash and cash equivalents at 30 June | 17 | 136,522,374 |


 Chairman NG-CDF
 Committee
 Name: Peter Maina


 National/Sub-County
 Accountant
 Name: Joseph Karanja
 ICPAK M/No: 10213


 Fund Account Manager
 Name: Phares Karanja

National Government Constituencies Development Fund (NGCDF)
Ruiru Constituency
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15. Statement of Comparison of Budget and Actual Amounts for the Year ended 30 June 2025

| | Original Budget | Adjustments | | Final Budget | Actual on comparable basis | Budget utilization difference | % of Utilization |
|--|--------------------|--------------------------------|--|--------------------|----------------------------|-------------------------------|------------------|
| | Kshs | Kshs | | Kshs | Kshs | Kshs | |
| | A | B | | C=(a+b) | D | e=(c-d) | f=d/c*100 |
| | 2024/2025 | Opening Balance (C/Bk) and AIA | Previous Years' Outstanding Disbursement | 2024/2025 | 2024/2025 | | |
| Revenue | | | | | | | |
| Transfers From the NGCDF Board | 206,358,248 | 127,975,032 | 36,307,407 | 370,640,687 | 317,849,971 | 52,790,716 | 86% |
| Transfers from domestic and foreign partners | - | - | - | - | - | - | |
| Finance income | - | - | - | - | - | - | |
| Miscellaneous income | - | - | - | - | - | - | |
| Totals | 206,358,248 | 127,975,032 | 36,307,407 | 370,640,687 | 317,849,971 | 52,790,716 | 86% |
| Expenses | | | | | | | |
| Employee costs | 3,928,000 | 2,040,439 | - | 5,968,439 | 2,731,641 | 3,236,798 | 46% |
| Committee expenses | 11,135,547 | 1,721,531 | - | 12,857,078 | 6,420,600 | 6,436,478 | 50% |
| Use of Goods and Services | 3,502,000 | 6,537,854 | - | 10,039,854 | 8,852,617 | 1,187,237 | 88% |
| Other Government Units Certified Works | 61,238,010 | 40,279,085 | 16,015,007 | 117,532,102 | 67,213,199 | 50,318,903 | 57% |
| Other Grants and Transfers | 105,151,960 | 68,615,609 | - | 173,767,569 | 87,611,464 | 86,156,106 | 50% |

National Government Constituencies Development Fund (NGCDF)
Ruiru Constituency
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| | Original Budget | Adjustments | | Final Budget | Actual on comparable basis | Budget utilization difference | % of Utilization |
|--------------------------|--------------------|--------------------------------|--|--------------------|----------------------------|-------------------------------|------------------|
| | Kshs | Kshs | | Kshs | Kshs | Kshs | |
| | A | B | | C=(a+b) | D | e=(c-d) | f=d/c*100 |
| | 2024/2025 | Opening Balance (C/Bk) and AIA | Previous Years' Outstanding Disbursement | 2024/2025 | 2024/2025 | | |
| Digital Hubs Expenses | 21,402,730 | 6,277,319 | 19,092,400 | 46,772,449 | 7,356,577 | 39,415,872 | 16% |
| Acquisition of assets | - | 2,228,725 | - | 2,228,725 | 1,141,500 | 1,087,225 | 51% |
| Third party | | 274,470 | | 274,470 | - | 274,470 | 0% |
| Funds Pending Approval** | - | - | 1,200,000 | 1,200,000 | - | 1,200,000 | 0% |
| Total Expenditure | 206,358,248 | 127,975,032 | 36,307,407 | 370,640,687 | 181,327,598 | 189,313,089 | 49% |
| Surplus for the period | - | (0) | - | (0) | 136,522,374 | (136,522,374) | |

National Government Constituencies Development Fund (NGCDF)
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Explanatory Notes.

| Reconciliation of Summary Statement of Appropriation to Statement of Assets and Liabilities | |
|--|---------------|
| Description | Amount |
| Budget utilisation difference totals | 189,313,089 |
| Less undisbursed funds receivable from the Board as at 30 th June 2025 | 52,790,716 |
| Cash and Cash Equivalents at the end of the 30 th June 2025 | 136,522,374 |

The accounting policies and explanatory notes to these financial statements form an integral part of the financial statements.

The Constituency financial statements were approved by NG CDFC on 5th December 2025 and signed by:



Name: Phares Karanja



Name: Joseph Karanja
ICPAK M/No: 10213



Name: Phares Karanja

National Government Constituencies Development Fund (NGCDF)
Ruiru Constituency
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16. Budget Execution by Sectors And Projects For The Year Ended 30th June 2025

| Programme/Sub-programme | Original Budget | Adjustments | | Final Budget | Actual on comparable basis | Budget utilization Difference |
|---|-------------------|--------------------------------|---|-------------------|----------------------------|-------------------------------|
| | | Opening Balance (C/Bk) and AIA | Previous Years' Outstanding Disbursements | | | |
| | Kshs | Kshs | Kshs | Kshs | Kshs | Kshs |
| 1.0 Administration and Recurrent | | | | | | |
| 1.1 Compensation of employees | 3,928,000 | 2,040,439 | | 5,968,439 | 2,731,641 | 3,236,798 |
| 1.2 Committee allowances | 5,684,807 | 1,621,531 | - | 7,306,338 | 6,420,600 | 885,738 |
| 1.3 Use of goods and services | 2,762,000 | 872,964 | - | 3,634,964 | 2,898,336 | 736,628 |
| Sub-total | 12,374,807 | 4,534,934 | - | 16,909,741 | 12,050,577 | 4,859,164 |
| 2.0 Monitoring and evaluation | | | | | | |
| 2.1 Capacity building | 178,000 | | | 178,000 | - | 178,000 |
| 2.2 Committee allowances | 5,272,740 | 100,000 | | 5,372,740 | - | 5,372,740 |
| 2.3 Use of goods and services | 740,000 | 5,664,890 | | 6,404,890 | 5,954,281 | 450,609 |
| Sub-total | 6,190,740 | 5,764,890 | - | 11,955,630 | 5,954,281 | 6,001,349 |

**National Government Constituencies Development Fund (NGCDF)
Ruiru Constituency
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| Programme/Sub-programme | Original Budget | Adjustments Opening Balance (C/8x) and AIA | Previous Years' Outstanding Disbursements | Final Budget | Actual on comparable basis | Budget utilization Difference |
|--|-------------------|---|---|--------------------|----------------------------|-------------------------------|
| | Kshs | Kshs | Kshs | Kshs | Kshs | Kshs |
| 3.0 Sports | | | | | | |
| Ruiru Tournament | | 77,162 | | 77,162 | | 77,162 |
| 3.0 Emergency | 10,860,960 | 103,872 | | 10,964,832 | 4,357,010 | 6,607,822 |
| 5.0 Bursary and Social Security | | | | - | | |
| 5.1 Primary Schools | | | | - | | - |
| 5.2 Secondary Schools | 60,000,000 | 32,521,713 | | 92,521,713 | 73,025,500 | 19,496,213 |
| 5.3 Tertiary Institutions | 22,543,000 | 20,006,000 | | 42,549,000 | 4,006,500 | 38,542,500 |
| 5.4 special needs | - | - | | - | | - |
| 5.5 Education Support Programmes | - | - | | - | | - |
| 5.6 Social Security | - | - | | - | | - |
| Sub Total | 82,543,000 | 52,527,713 | - | 135,070,713 | 77,032,000 | 58,038,713 |
| 3.4 Environment | | | | | | |
| Mwalimu Primary School | 400,000 | | | 400,000 | | 400,000 |

National Government Constituencies Development Fund (NGCDF)
Ruiru Constituency
Annual Report and Financial Statements for The Year Ended June 30, 2025

| Programme/Sub-programme | Original Budget | Adjustments | | Final Budget | Actual on comparable basis | Budget utilization Difference |
|-------------------------------------|------------------|--------------------------------|---|------------------|----------------------------|-------------------------------|
| | | Opening Balance (C/Bk) and AIA | Previous Years' Outstanding Disbursements | | | |
| | Kshs | Kshs | Kshs | Kshs | Kshs | Kshs |
| Mutuya Primary School | 400,000 | 300,000 | | 700,000 | 272,773 | 427,228 |
| Manguo Primary School | 400,000 | | | 400,000 | | 400,000 |
| Githunguri Primary School | 400,000 | | | 400,000 | | 400,000 |
| Githunguri Secondary School | 400,000 | | | 400,000 | | 400,000 |
| Gikumari Secondary School | 400,000 | | | 400,000 | | 400,000 |
| Gikumari Primary School | 400,000 | | | 400,000 | | 400,000 |
| Ruiru Primary School | - | 3,432 | | 3,432 | | 3,432 |
| Sub-total | 2,800,000 | 303,432 | - | 3,103,432 | 272,773 | 2,830,660 |
| | | | | - | | |
| 8.0 Primary Schools Projects | | | | | | |
| MANGUO PRIMARY SCHOOL | 6,188,010 | 4,091,319 | | 10,279,329 | 4,456,424 | 5,822,905 |
| MUTONYA PRIMARY SCHOOL | 7,000,000 | 6,000,000 | | 13,000,000 | 4,749,525 | 8,250,475 |

National Government Constituencies Development Fund (NGCDF)
Ruiru Constituency
Annual Report and Financial Statements for The Year Ended June 30, 2025

| Programme/Sub-programme | Original Budget | Adjustments | | Final Budget | Actual on comparable basis | Budget utilization Difference |
|-------------------------------|-----------------|--------------------------------|---|--------------|----------------------------|-------------------------------|
| | | Opening Balance (C/Bk) and AIA | Previous Years' Outstanding Disbursements | | | |
| | Kshs | Kshs | Kshs | Kshs | Kshs | Kshs |
| MWIHOKO PRIMARY SCHOOL | 750,000 | 3,334,931 | | 4,084,931 | 3,657,396 | 427,535 |
| GITHURAI KIMBO PRIMARY SCHOOL | 1,000,000 | 1,278,590 | | 2,278,590 | 2,255,663 | 22,928 |
| MWIKI PRIMARY SCHOOL | 3,000,000 | 4,523,016 | | 7,523,016 | 5,017,928 | 2,505,089 |
| KWANGETHE PRIMARY SCHOOL | 500,000 | 89,846 | | 589,846 | 586,888 | 2,959 |
| GITHUNGURI PRIMARY SCHOOL | 750,000 | 1,776,798 | | 2,526,798 | 2,271,506 | 255,293 |
| GITOTHUA PRIMARY SCHOOL | 2,900,000 | 81,925 | | 2,981,925 | - | 2,981,925 |
| GATONGORA PRIMARY SCHOOL | 500,000 | 284,802 | | 784,802 | 683,795 | 101,007 |
| KAHAWA WENDANI PRIMARY SCHOOL | 500,000 | 314,493 | | 814,493 | 290,580 | 523,913 |
| NDIAINI PRIMARY SCHOOL | 400,000 | - | | 400,000 | - | 400,000 |
| ST GEORGES PRIMARY SCHOOL | 500,000 | 41,154 | | 541,154 | 38,523 | 502,631 |
| | 500,000 | 264,789 | | 764,789 | - | 764,789 |

National Government Constituencies Development Fund (NGCDF)
Ruiru Constituency
Annual Report and Financial Statements for The Year Ended June 30, 2025

| Programme/Sub-programme | Original Budget | Adjustments | | Final Budget | Actual on comparable basis | Budget utilization Difference |
|-----------------------------|-------------------|--------------------------------|---|-------------------|----------------------------|-------------------------------|
| | | Opening Balance (C/Bk) and AIA | Previous Years' Outstanding Disbursements | | | |
| | Kshs | Kshs | Kshs | Kshs | Kshs | Kshs |
| RUIRU PRIMARY SCHOOL | | | | | | |
| MATOPENI PRIMARY SCHOOL | 500,000 | 356,389 | | 856,389 | 142,285 | 714,104 |
| MUKUYU PRIMARY SCHOOL | 4,500,000 | 19,365 | | 4,519,365 | 3,033,650 | 1,485,715 |
| TATU PRIMARY SCHOOL | 1,750,000 | - | | 1,750,000 | - | 1,750,000 |
| NGEWE PRIMARY SCHOOL | 250,000 | 23,370 | | 273,370 | - | 273,370 |
| KWIHOTA PRIMARY SCHOOL | 400,000 | 1,340,360 | | 1,740,360 | 1,325,473 | 414,887 |
| GIKUMARI PRIMARY SCHOOL | 200,000 | 579,893 | | 779,893 | 478,336 | 301,558 |
| KIRATINA PRIMARY SCHOOL | 200,000 | 3,590,298 | | 3,790,298 | 3,194,121 | 596,177 |
| MWALIMU FARM PRIMARY SCHOOL | 3,500,000 | 2,203,997 | 3,400,000 | 9,103,997 | 7,348,206 | 1,755,791 |
| MUTUYA PRIMARY SCHOOL | 3,900,000 | 1,832,318 | 3,645,007 | 9,377,325 | 7,912,207 | 1,465,119 |
| Sub-total | 39,688,010 | 32,027,653 | 7,045,007 | 78,760,670 | 47,442,503 | 31,318,167 |

National Government Constituencies Development Fund (NGCDF)
Ruiru Constituency
Annual Report and Financial Statements for The Year Ended June 30, 2025

| Programme/Sub-programme | Original Budget | Adjustments | | Final Budget | Actual on comparable basis | Budget utilization Difference |
|---------------------------------------|-----------------|--------------------------------|---|--------------|----------------------------|-------------------------------|
| | | Opening Balance (C/Bk) and AIA | Previous Years' Outstanding Disbursements | | | |
| | Kshs | Kshs | Kshs | Kshs | Kshs | Kshs |
| 9.0 Secondary Schools Projects | | | | | | |
| Ruiru Boys secondary school | 3,300,000 | 1,459,914 | 8,700,000 | 13,459,914 | 7,776,786 | 5,683,128 |
| Ruiru Girls Secondary School | 3,000,000.00 | 1,486,513 | | 4,486,513 | 1,485,104 | 3,001,409 |
| Githurai Mixed Secondary School | 4,000,000.00 | 100,010 | | 4,100,010 | - | 4,100,010 |
| Githunguri Secondary School | 4,000,000.00 | 350,456 | | 4,350,456 | 2,719,320 | 1,631,136 |
| Devki Ruiru Township Secondary School | 4,300,000.00 | 416,511 | | 4,716,511 | 3,429,630 | 1,286,881 |
| Gikumari Secondary | - | 2,208,231 | | 2,208,231 | 2,156,500 | 51,731 |
| Gitothua Secondary | - | 83 | | 83 | | 83 |
| Kwangethe Secondary School | - | 2,067,058 | | 2,067,058 | 2,059,241 | 7,817 |
| Ruiru Kihunguro | - | 124,555 | | 124,555 | | 124,555 |
| Kwihota Secondary | - | 31,253 | | 31,253 | | 31,253 |
| Spinners Boys | - | 3,050 | | 3,050 | | 3,050 |

National Government Constituencies Development Fund (NGCDF)
Ruiru Constituency
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| Programme/Sub-programme | Original Budget | Adjustments | | Final Budget | Actual on comparable basis | Budget utilization Difference |
|---|-------------------|--------------------------------|---|-------------------|----------------------------|-------------------------------|
| | | Opening Balance (C/Bk) and AIA | Previous Years' Outstanding Disbursements | | | |
| | Kshs | Kshs | Kshs | Kshs | Kshs | Kshs |
| Mwihoko Secondary | - | 3,798 | | 3,798 | | 3,798 |
| Sub-total | 18,600,000 | 8,251,432 | 8,700,000 | 35,551,432 | 19,626,581 | 15,924,851 |
| 10.0 Tertiary institutions Projects | | | | | | |
| Ruiru Technical & Vocational Training Institute | 2,950,000 | | | 2,950,000 | - | 2,950,000 |
| Ruiru TVET Furnitures | | | 270,000 | 270,000 | 144,115 | 125,885 |
| Sub-total | 2,950,000 | - | 270,000 | 3,220,000 | 144,115 | 3,075,885 |
| 11.0 Security Projects | 170,000 | - | | 170,000 | | 170,000 |
| Ruiru Chief Office | 170,000 | | | 170,000 | | 170,000 |
| Kahawa Sukari Assistant Chiefs Office | 500,000 | 5,692,000 | | 6,192,000 | 516,665 | 5,675,335 |
| Mwalimu Farm Police Post | 3,000,000 | | | 3,000,000 | | 3,000,000 |
| Kiratina Pri | 348,000 | | | 348,000 | | 348,000 |
| Ruiru Police Station | 1,500,000 | 800,000 | | 2,300,000 | | 2,300,000 |

National Government Constituencies Development Fund (NGCDF)
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| Programme/Sub-programme | Original Budget | Adjustments | | Final Budget | Actual on comparable basis | Budget utilization Difference |
|-----------------------------------|------------------|--------------------------------|---|-------------------|----------------------------|-------------------------------|
| | | Opening Balance (C/Bk) and AIA | Previous Years' Outstanding Disbursements | | | |
| | Kshs | Kshs | Kshs | Kshs | Kshs | Kshs |
| Gitothua Poice Post | 500,000 | 1,775,776 | | 2,275,776 | | 2,275,776 |
| Mutuya Police Post | - | 3,454 | | 3,454 | | 3,454 |
| Kimbo Police Post | - | 11,270 | | 11,270 | | 11,270 |
| Watalamu Police Station | - | 8,692 | | 8,692 | | 8,692 |
| Mwihoko Police Post | - | 5,686 | | 5,686 | | 5,686 |
| Mwiki Police Post | - | 161 | | 161 | | 161 |
| Gikumari police | - | 2,003,222 | | 2,003,222 | | 2,003,222 |
| Mutonya police | - | 108,713 | | 108,713 | | 108,713 |
| Mwiki chiefs office | - | 1,100,000 | | 1,100,000 | | 1,100,000 |
| Gikumari Police Post | - | - | | - | | - |
| Ruiru Sub County office | - | 32,340 | | 32,340 | | 32,340 |
| Sub-total | 6,018,000 | 11,541,314 | - | 17,559,314 | 516,665 | 17,042,649 |
| 12.0 Acquisition of assets | | | | | | |

National Government Constituencies Development Fund (NGCDF)
Ruiru Constituency
Annual Report and Financial Statements for The Year Ended June 30, 2025

| Programme/Sub-programme | Original Budget | Adjustments | | Final Budget | Actual on comparable basis | Budget utilization Difference |
|--|------------------|--------------------------------|---|------------------|----------------------------|-------------------------------|
| | | Opening Balance (C/Bk) and AIA | Previous Years' Outstanding Disbursements | | | |
| | Kshs | Kshs | Kshs | Kshs | Kshs | Kshs |
| 12.1 Motor Vehicles (including motorbikes) | | 414,000 | - | 414,000 | | 414,000 |
| 12.2 Purchase of furniture and fittings | | 1,814,725 | | 1,814,725 | 1,141,500 | 673,225 |
| 12.2 Construction of NGCDF office | - | | | - | | - |
| Sub-total | | 2,228,725 | - | 2,228,725 | 1,141,500 | 1,087,225 |
| 13.0 Others | | | | | | |
| Ruiru Lands Registry | 2,000,000.00 | - | - | 2,000,000 | 1,730,218 | 269,782 |
| Ruiru Law courts | - | 1,600,000.00 | | 1,600,000 | 1,516,498 | 83,502 |
| Githurai DEO office | - | 2,200,000.00 | | 2,200,000 | 2,186,300 | 13,700 |
| Strategic Plan | - | 4,000.00 | | 4,000 | | 4,000 |
| NG CDF office | 930,000.00 | 258,116.00 | | 1,188,116 | | 1,188,116 |
| Sub-total | 2,930,000 | 4,062,116 | - | 6,992,116 | 5,433,016 | 1,559,100 |
| 14.0 Digital Hubs Running Costs | | | | | | |

National Government Constituencies Development Fund (NGCDF)
Ruiru Constituency
Annual Report and Financial Statements for The Year Ended June 30, 2025

| Programme/Sub-programme | Original Budget | Adjustments | | Final Budget | Actual on comparable basis | Budget utilization Difference |
|---------------------------|------------------|--------------------------------|---|------------------|----------------------------|-------------------------------|
| | | Opening Balance (C/Bk) and AIA | Previous Years' Outstanding Disbursements | | | |
| | Kshs | Kshs | Kshs | Kshs | Kshs | Kshs |
| Ruiru Digital Hub | 1,064,000 | - | - | 1,064,000 | | 1,064,000 |
| Ruiru TVET Digital Hub | 1,064,000 | - | - | 1,064,000 | | 1,064,000 |
| Mutuya Police Digital Hub | 1,064,000 | - | - | 1,064,000 | | 1,064,000 |
| ICT HUBS Running cost | - | - | 6,037,407 | 6,037,407 | 912,691 | 5,124,716 |
| Total | 3,192,000 | - | 6,037,407 | 9,229,407 | 912,691 | 8,316,716 |
| 15.0 Digital Hubs | | | | | | |
| Ruiru Huduma Centre | 7,000,000 | | 5,000,000 | 12,000,000 | | 12,000,000 |
| Kahawa Digital Hub | - | 1,545,007 | 1,654,993 | 3,200,000 | | 3,200,000 |
| Ruiru Digital Hub | - | | 3,800,000 | 3,800,000 | 3,797,936 | 2,064 |
| ICT Hubs | - | 4,677,027 | | 4,677,027 | | 4,677,027 |
| Mutuya Digital Hub | 3,736,910 | | | 3,736,910 | | 3,736,910 |
| Gatongora Digital Hub | 3,736,910 | | | 3,736,910 | | 3,736,910 |

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| Programme/Sub-programme | Original Budget | Adjustments | | Final Budget | Actual on comparable basis | Budget utilization Difference |
|-------------------------------------|--------------------|--------------------------------|---|--------------------|----------------------------|-------------------------------|
| | | Opening Balance (C/Bk) and AIA | Previous Years' Outstanding Disbursements | | | |
| | Kshs | Kshs | Kshs | Kshs | Kshs | Kshs |
| Ruiru TVET Hub | - | 55,285 | 2,600,000 | 2,655,285 | 2,645,950 | 9,335 |
| Kiu Digital Hub | 3,736,910 | | | 3,736,910 | | 3,736,910 |
| Total | 18,210,730 | 6,277,319 | 13,054,993 | 37,543,042 | 6,443,886 | 31,099,156 |
| Funds pending approval** | | | | | | |
| Third party payables | | 274,470 | | 899,248 | | 899,248 |
| Unapproved projects: Climate Change | | - | 1,200,000 | 1,200,000 | | 1,200,000 |
| AIA | - | | | - | | - |
| Sub-total | - | 274,470 | 1,200,000 | 1,474,470 | - | 2,099,248 |
| Total | 206,358,248 | 127,975,032 | 36,307,407 | 370,640,687 | 181,327,598 | 189,937,867 |

(NB: This statement is a disclosure statement indicating the utilization in the same format as the entity's budgets which are program-based. This statement totals should tie to the totals of the Statement of Comparison of Budget and Actual Amounts)

17. Notes to the Financial Statements

1. General information

The National Government Constituencies Development Fund (NG-CDF) formerly Constituencies Development Fund (CDF), is established by and derives its authority and accountability from the NG-CDF Act 2015 (amended 2023). The NG-CDF is wholly owned by the Government of Kenya and is domiciled in Kenya. The NG-CDF Ruiru Constituency principal activity is to manage the utilization of the NG CDF funds at the constituency.

2. Statement of Compliance and Basis of Preparation

These Transitional IPSAS financial statements have been prepared on a historical cost basis except for the measurement at re-valued amounts of certain items of property, plant and equipment, marketable securities and financial instruments at fair value, impaired assets at their estimated recoverable amounts and actuarially determined liabilities at their present value. The preparation of financial statements in conformity with International Public Sector Accounting Standards (IPSAS) allows the use of estimates and assumptions. It also requires management to exercise judgment in the process of applying the NG-CDF's accounting policies. The areas involving a higher degree of judgment or complexity, or where assumptions and estimates are significant to the financial statements, are disclosed in Note 5 of these financial statements.

The financial statements have been prepared in accordance with the PFM Act, and International Public Sector Accounting Standards (IPSAS) - the entity has taken advantage of the transitional provisions under IPSAS 33 and therefore these 1st/ 2nd/ 3rd/ are transitional financial statements. NG CDF Ruiru has taken the phased approach towards full accrual reporting as detailed below;

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| Item | Particulars | FY 1 | FY 2 | FY 3 |
|--|--|------|------|------|
| RECOGNITION OF SOME ASSETS IN THE FINANCIAL STATEMENT | Cash & cash equivalent -PMC Balance | | | |
| | Receivable – Owings from the Board and others | | | |
| | Prepayment – insurance and others | | | |
| | PPE & Intangible asset acquired in FY 2023/24 to date | | | |
| LIABILITIES | Trade and Other payable e.g. staff Owings | | | |
| | Third party deposits e.g. retention | | | |
| | Gratuity Provision | | | |
| IDENTIFICATION ASSETS | Identification and valuation of all Assets acquired in years prior to 2023/2024. | | | |
| RECOGNITION OF OTHER ASSETS & LIABILITIES THAT HAD BEEN LEFT OUT | All Assets acquired in years prior to 2023/2024 | | | |
| | Any other asset | | | |
| | Any other liabilities | | | |

The financial statements have been prepared and presented in Kenya Shillings, which is the functional and reporting currency of the NG-CDF. The financial statements have been prepared in accordance with the PFM Act, the NGCDF Act and International Public Sector Accounting Standards (IPSAS). The accounting policies adopted have been consistently applied to all the years presented.

3. Adoption of New and Revised Standards

i. New and amended standards and interpretations in issue effective in the year ended 30 June 2025.

There were no new and amended standards issued in the financial year.

ii. New and amended standards and interpretations in issue but not yet effective in the year ended 30 June 2024.

| Standard | Effective date and impact: |
|--|--|
| IPSAS 43: Leases | <i>Applicable 1st January 2025</i> The standard sets out the principles for the recognition, measurement, presentation, and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cashflows of an Entity. The new standard requires entities to recognise, measure and present information on right of use assets and lease liabilities. <i>Not adopted</i> |
| IPSAS 44: Non- Current Assets Held for Sale and Discontinued Operations | <i>Applicable 1st January 2025</i> The Standard requires, Assets that meet the criteria to be classified as held for sale to be measured at the lower of carrying amount and fair value less costs to sell and the depreciation of such assets to cease and: Assets that meet the criteria to be classified as held for sale to be presented separately in the statement of financial position and the results of discontinued operations to be presented separately in the statement of financial performance. <i>Not adopted</i> |

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| | |
|---|--|
| <p>IPSAS 45: Property Plant and Equipment</p> | <p><i>Applicable 1st January 2025</i></p> <p>The standard supersedes IPSAS 17 on Property, Plant and Equipment. IPSAS 45 has additional guidance/ new guidance for heritage assets, infrastructure assets and measurement. Heritage assets were previously excluded from the scope of IPSAS 17 in IPSAS 45, heritage assets that satisfy the definition of PPE shall be recognised as assets if they meet the criteria in the standard. IPSAS 45 has an additional application guidance for infrastructure assets, implementation guidance and illustrative examples. The standard has clarified existing principles e.g. valuation of land over or under the infrastructure assets, under- maintenance of assets and distinguishing significant parts of infrastructure assets.</p> <p><i>Not adopted</i></p> |
| <p>IPSAS 46: Measurement</p> | <p><i>Applicable 1st January 2025</i></p> <p>The objective of this standard was to improve measurement guidance across IPSAS by:</p> <ul style="list-style-type: none"> i. Providing further detailed guidance on the implementation of commonly used measurement bases and the circumstances under which they should be used. ii. Clarifying transaction costs guidance to enhance consistency across IPSAS. iii. Amending where appropriate guidance across IPSAS related to measurement at recognition, subsequent measurement and measurement related disclosures. <p>The standard also introduces a public sector specific measurement bases called the current operational value.</p> <p><i>Not adopted</i></p> |
| <p>IPSAS 47: Revenue</p> | <p><i>Applicable 1st January 2026</i></p> <p>This standard supersedes IPSAS 9- Revenue from exchange transactions, IPSAS 11 Construction contracts and IPSAS 23 Revenue from non- exchange transactions. This standard brings all the guidance of accounting for revenue</p> |

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| | |
|--|--|
| | <p>under one standard. The objective of the standard is to establish the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flow arising from revenue transactions.</p> <p><i>Not adopted</i></p> |
| <p>IPSAS 48: Transfer Expenses</p> | <p>Applicable 1st January 2026</p> <p>The objective of the standard is to establish the principles that a transfer provider shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of expenses and cash flow arising from transfer expense transactions. This is a new standard for public sector entities geared to provide guidance to entities that provide transfers on accounting for such transfers.</p> <p><i>Not adopted</i></p> |
| <p>IPSAS 49: Retirement Benefit Plans</p> | <p>Applicable 1st January 2026</p> <p>The objective is to prescribe the accounting and reporting requirements for the public sector retirement benefit plans which provide retirement to public sector employees and other eligible participants. The standard sets the financial statements that should be presented by a retirement benefit plan.</p> <p><i>Not adopted</i></p> |
| <p>IPSAS 50: Exploration For & Evaluation of Mineral Resources</p> | <p>Applicable 1st January 2027</p> <p>The objective of this Standard is to specify the financial reporting for the exploration for and evaluation of mineral resources. The Standard requires:</p> <ol style="list-style-type: none"> i. Limited improvements to existing accounting practices for exploration and evaluation expenditures. ii. Entities that recognize exploration and evaluation assets to assess such assets for impairment in accordance with this Standard and measure any impairment in accordance with IPSAS 26. iii. Disclosures that identify and explain the amounts in the entity's financial statements arising from the exploration for and evaluation of mineral resources and help users of those financial statements understand the amount, timing and certainty of future cash flows from any exploration and evaluation assets recognized. <p><i>Not adopted</i></p> |

iii. Early adoption of standards

The Entity did not early – adopt any new or amended standards in the financial year

4. Summary of Significant Accounting Policies

a) Revenue recognition

i) Revenue from non-exchange transactions

Transfers from other government entities

Revenues from non-exchange transactions with other government entities are measured at fair value and recognized on obtaining control of the asset (cash, goods, services and property) if the transfer is free from conditions and it is probable that the economic benefits or service potential related to the asset will flow to the *Fund* and can be measured reliably. To the extent that there is a related condition attached that would give rise to a liability to repay the amount, the amount is recorded in the statement of financial position and realized in the statement of financial performance upon fulfilling the conditions set. Revenue shall be recognized after allocations have been approved by the NG-CDF Board.

ii) Revenue from exchange transactions

Sale of goods

Revenue from the sale of goods is recognized when the significant risks and rewards of ownership have been transferred to the buyer, usually on delivery of the goods and when the amount of revenue can be measured reliably, and it is probable that the economic benefits or service potential associated with the transaction will flow to the *Entity*.

Interest income

Interest income is accrued using the effective yield method. The effective yield discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount. The method applies this yield to the principal outstanding to determine interest income each period.

Rental income

Rental income arising from operating leases on investment properties is accounted for on a straight-line basis over the lease terms and included in revenue.

b) Budget information

The original budget was approved by Parliament on 30 June 2024 for the period 1st July 2024 to 30th June 2025 as required by law. Included in the adjustments are Cash book opening balance and constituency allocations not yet disbursed at the beginning of the financial year. A comparison of the actual performance against the final budget for the financial year under review has been included in the financial statements.

The financial statements are prepared on an accrual basis using a classification based on the nature of expenses in the statement of financial performance, whereas the budget is prepared on a cash basis. The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by presentation to be on the same basis as the approved budget. A comparison of budget and actual amounts, prepared on a comparable basis to the approved budget, is then presented in the statement of comparison of budget and actual amounts. In addition to the Basis difference, adjustments to amounts in the financial statements are also made for differences in the formats and classification schemes adopted for the presentation of the financial statements and the approved budget. A statement to reconcile the actual amounts on a comparable basis included in the statement of comparison of budget and actual amounts and the actuals as per the statement of financial performance has been presented under section 15 of these financial statements.

c) Property, plant and equipment

All property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the items. When significant parts of property, plant and equipment are required to be replaced at intervals, Ruiru NGCDF recognizes such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in surplus or deficit as incurred. Where an asset is acquired in a non-exchange transaction for nil or nominal consideration the asset is initially measured at its fair value.

d) Leases

Finance leases are leases that transfer substantially all of the risks and benefits incidental to ownership of the leased item to the NGCDF. Assets held under a finance lease are capitalized at the commencement of the lease at the fair value of the leased property or, if lower, at the present value of the future minimum lease payments. The *Entity* also recognizes the associated lease liability at the inception of the lease. The liability recognized is measured as the present value of the future minimum lease payments at initial recognition. Subsequent to initial recognition, lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized as finance costs in surplus or deficit. An asset held under a finance lease is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the *Entity* will obtain ownership of the asset by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating leases are leases that do not transfer substantially all the risks and benefits incidental to ownership of the leased item to the *Entity*. Operating lease payments are recognized as an operating expense in surplus or deficit on a straight-line basis over the lease term.

e) Intangible assets

Intangible assets acquired separately are initially recognized at cost. The cost of intangible assets acquired in a non-exchange transaction is their fair value at the date of the exchange. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in surplus or deficit in the period in which the expenditure is incurred. The useful life of the intangible assets is assessed as either finite or indefinite. Intangible assets with an indefinite useful life are assessed for impairment at each reporting date.

f) Financial instruments

IPSAS 41 addresses the classification, measurement and de-recognition of financial assets and financial liabilities, introduces new rules for hedge accounting and a new impairment model for financial assets. *The entity does not have any hedge relationships and therefore the new hedge accounting rules have no impact on the Company's financial statements.* A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. At initial recognition, the entity measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through surplus or deficit, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

a) Financial assets

Classification of financial assets

The entity classifies its financial assets as subsequently measured at amortised cost, fair value through net assets/ equity or fair value through surplus and deficit on the basis of both the entity's management model for financial assets and the contractual cash flow characteristics of the financial asset. A financial asset is measured at amortized cost when the financial asset is held within a management model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding. A financial asset is measured at fair value through net assets/ equity if it is held within the management model whose objective is achieved by both collecting contractual cashflows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. A financial asset shall be measured at fair value through surplus or deficit unless it is measured at amortized cost or fair value through net assets/ equity unless an entity has made irrevocable election at initial recognition for particular investments in equity instruments.

Subsequent measurement

Based on the business model and the cash flow characteristics, the entity classifies its financial assets into amortized cost or fair value categories for financial instruments. Movements in fair value are presented in either surplus or deficit or through net assets/ equity subject to certain criteria being met.

Amortized cost

Financial assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest, and that are not designated at fair value through surplus or deficit, are measured at amortized cost. A gain or loss on an instrument that is subsequently measured at amortized cost and is not part of a hedging relationship is recognized in profit or loss when the asset is de-recognized or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

Fair value through net assets/ equity

Financial assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through net assets/ equity. Movements in the carrying amount are taken through net assets, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognized in surplus/deficit. Interest income from these financial assets is included in finance income using the effective interest rate method.

Trade and other receivables

Trade and other receivables are recognized at fair values less allowances for any uncollectible amounts. Trade and other receivables are assessed for impairment on a continuing basis. An estimate is made of doubtful receivables based on a review of all outstanding amounts at the year end.

Fair value through surplus or deficit

Financial assets that do not meet the criteria for amortized cost or fair value through net assets/equity are measured at fair value through surplus or deficit. A business model where the entity manages financial assets with the objective of realizing cash flows through solely the sale of the assets would result in a fair value through surplus or deficit model.

Impairment

The entity assesses, on a forward-looking basis, the expected credit loss ('ECL') associated with its financial assets carried at amortized cost and fair value through net assets/equity. The entity recognizes a loss allowance for such losses at each reporting date. Critical estimates and significant judgments made by management in determining the expected credit loss (ECL) are set out in *Note 18*

b) Financial liabilities

Classification

The entity classifies its liabilities as subsequently measured at amortized cost except for financial liabilities measured through profit or loss.

g) Inventories

Inventory is measured at cost upon initial recognition. To the extent that inventory was received through non-exchange transactions (for no cost or for a nominal cost), the cost of the inventory is its fair value at the date of acquisition. Costs incurred in bringing each product to its present location and conditions are accounted for, as follows:

- i) Raw materials: purchase cost using the weighted average cost method.
- ii) Finished goods and work in progress: cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity but excluding borrowing costs.

After initial recognition, inventory is measured at the lower of cost and net realizable value. However, to the extent that a class of inventory is distributed or deployed at no charge or for a nominal charge, that class of inventory is measured at the lower of cost and current replacement cost. Net realizable value is the estimated selling price in the ordinary course of

operations, less the estimated costs of completion and the estimated costs necessary to make the sale, exchange, or distribution. Inventories are recognized as an expense when deployed for utilization or consumption in the ordinary course of operations of the *Entity*.

h) Provisions

Provisions are recognized when the *Entity* has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the *Entity* expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of financial performance net of any reimbursement

i) Social Benefits

Social benefits are cash transfers provided to i) specific individuals and / or households that meet the eligibility criteria, ii) mitigate the effects of social risks and iii) Address the need of society as a whole. The entity recognises a social benefit as an expense for the social benefit scheme at the same time that it recognises a liability. The liability for the social benefit scheme is measured at the best estimate of the cost (the social benefit payments) that the entity will incur in fulfilling the present obligations represented by the liability.

j) Contingent liabilities

The Entity does not recognize a contingent liability but discloses details of any contingencies in the notes to the financial statements, unless the possibility of an outflow of resources embodying economic benefits or service potential is remote.

k) Contingent assets

The Entity does not recognize a contingent asset but discloses details of a possible asset whose existence is contingent on the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Entity in the notes to the financial statements.

Contingent assets are assessed continually to ensure that developments are appropriately reflected in the financial statements. If it has become virtually certain that an inflow of economic benefits or service potential will arise and the asset's value can be measured reliably, the asset and the related revenue are recognized in the financial statements of the period in which the change occurs.

l) Employee benefits

Retirement benefit plans

The *Entity* provides retirement benefits for its employees and directors. Defined contribution plans are post-employment benefit plans under which an Entity pays fixed contributions into a separate Entity (a fund) and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods. The contributions to fund obligations for the payment of retirement benefits are charged against income in the year in which they become payable. Defined benefit plans are post-employment benefit plans other than defined-contribution plans. The defined benefit funds are actuarially valued tri-annually on the projected unit credit method basis. Deficits identified are recovered through lump sum payments or increased future contributions on proportional basis to all participating employers. The contributions and lump sum payments reduce the post-employment benefit obligation.

m) Foreign currency transactions

Transactions in foreign currencies are initially accounted for at the ruling rate of exchange on the date of the transaction. Trade creditors or debtors denominated in foreign currency are reported at the statement of financial position reporting date by applying the exchange rate on that date. Exchange differences arising from the settlement of creditors, or from the reporting of creditors at rates different from those at which they were initially recorded during the period, are recognized as income or expenses in the period in which they arise.

n) Related parties

The *Entity* regards a related party as a person or an Entity with the ability to exert control individually or jointly or to exercise significant influence over the *Entity*, or vice versa.

o) Cash and Cash Equivalents

Cash and cash equivalents comprise cash on hand and cash at bank, short-term deposits on call, and highly liquid investments with an original maturity of three months or less, which are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value. Bank account balances include amounts held at various commercial banks at the end of the financial year.

p) Comparative figures

Where necessary comparative figures for the previous financial year have been amended or reconfigured to conform to the required changes in presentation.

q) Subsequent events

There have been no events subsequent to the financial year end with a significant impact on the financial statements for the year ended June 30, 2025

5. Significant Judgments and Sources of Estimation Uncertainty

The preparation of the *Entity's* financial statements in conformity with IPSAS requires management to make judgments, estimates, and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods. State all judgments, estimates, and assumptions made:

Estimates and assumptions.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Entity based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. However, existing circumstances and assumptions about future developments may change due to market changes or circumstances arising beyond the control of the Entity. Such changes are reflected in the assumptions when they occur. IPSAS 1.140

Useful lives and residual value

The useful lives and residual values of assets are assessed using the following indicators to inform potential future use and value from disposal:

- a) The condition of the asset is based on the assessment of experts employed by the Entity.
- b) The nature of the asset, its susceptibility and adaptability to changes in technology and processes.
- c) The nature of the processes in which the asset is deployed.
- d) Availability of funding to replace the asset.
- e) Changes in the market in relation to the asset

Provisions

Provisions were raised and management determined an estimate based on the information available. Provisions are measured at the management's best estimate of the expenditure required to settle the obligation at the reporting date and are discounted to present value where the effect is material.

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6. Transfers from the NGCDF Board

| Description | 2024/2025 |
|--|--------------------|
| | Kshs |
| NGCDFB Transfers (Allocation for the FY) | 206,358,248 |
| Total | 206,358,248 |

7. Transfers from domestic and foreign partners

| Description | 2024/2025 |
|--------------|-----------|
| | Kshs |
| Grants | - |
| Total | - |

8. Finance income

| Description | 2024/2025 |
|----------------------------------|-----------|
| | Kshs |
| Interest Income on Bank Deposits | - |
| Total | - |

9. Miscellaneous income

| | 2024/2025 |
|--|-----------|
| | Kshs |
| Rental Income | - |
| Income from sale of tenders | - |
| Hire of plant/equipment/facilities | - |
| Other Income Not Classified Elsewhere (<i>specify</i>) | - |
| Total | - |

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10. Employees cost

| | 2024/2025 |
|--|------------------|
| | Kshs |
| NG-CDFC Basic staff salaries | 1,854,306 |
| Personal allowances paid as part of salary | - |
| House Allowance | 422,520 |
| Transport Allowance | - |
| Leave allowance | - |
| Gratuity to contractual employees | 578,778 |
| Employer Contributions Compulsory national social security schemes | 303,498 |
| Employer Contributions Compulsory Housing levy | 72,373 |
| Employer contributions to National Industrial Training Authority | 3,900 |
| Other Specify | 75,044 |
| Total | 3,310,419 |

11. Committee Expenses

| | 2024/2025 |
|--------------------------|------------------|
| | Kshs |
| Sitting allowance | 1,128,000 |
| Other Committee expenses | 5,292,600 |
| Total | 6,420,600 |

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12. Use of Goods and services

| | <i>2024/2025</i> |
|--|------------------|
| | Kshs |
| Utilities, supplies and services | 287,699 |
| Communication, supplies and services | 243,531 |
| Domestic travel and subsistence | 186,000 |
| Printing, advertising and information supplies & services | 265,037 |
| Office Rent | - |
| Training expenses | 4,620,000 |
| Hospitality supplies and services | 185,277 |
| Insurance costs | 124,885 |
| Specialized materials and services | - |
| Office and general supplies and services | 221,712 |
| Fuel, oil & lubricants | 650,000 |
| Bank charges | 11,013 |
| Routine maintenance – vehicles and other transport equipment | 48,000 |
| Routine maintenance – other assets | 1,334,281 |
| Strategic plan expenses | - |
| Other operating expenses | 678,600 |
| Total | 8,856,035 |

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13. Other Government Units Actual expenditure

| Description | 2024/2025 |
|--|-------------------|
| | Kshs |
| Primary Schools Actual expenditure | 47,442,503 |
| Secondary Schools Actual expenditure | 19,626,581 |
| Tertiary Institutions Actual expenditure | 144,115 |
| Total | 67,213,199 |

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14. Other Grants and transfers Actual expenditure

| | 2024/2025 |
|--|-------------------|
| | Kshs |
| Bursary – secondary schools | 73,025,500 |
| Bursary – tertiary institutions | 4,006,500 |
| Bursary – special schools | - |
| Bursary - Education Support Programmes | - |
| Social Security Programmes (SHIF) | - |
| Security projects Actual expenditure | 516,665 |
| Climate change mitigation projects | 272,773 |
| Emergency projects Actual expenditure | 4,357,010 |
| Roads projects Actual expenditure | - |
| Others (DEO Office, Lands Registry, Law Court) | 5,433,016 |
| Total | 87,611,464 |

15. Depreciation and Amortization Expenses

| Description | 2024/2025 |
|------------------------------|------------------|
| | Kshs |
| Property Plant and Equipment | 229,050 |
| Intangible Assets | - |
| Total | 229,050 |

16. Digital Hubs Expenses

| Description | 2024/2025 |
|---|------------------|
| | Kshs |
| Construction/ renovation/ Actual expenditure | 6,443,886 |
| Digital Hub utility costs Water, Electricity, | 912,691 |
| Maintenance of ICT equipment | - |
| Maintenance of building | - |
| Others (<i>specify</i>) | - |
| Total | 7,356,577 |

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17. Gain/loss on Sale of Assets

| Description | 2024/2025 |
|--|-----------|
| | Kshs |
| Property, Plant and Equipment | - |
| Intangible Assets | - |
| Total Gain/loss on Sale of Assets | - |

18. Impairment Loss

| Description | 2024/2025 |
|--|-----------|
| | Kshs |
| Property, Plant and Equipment | - |
| Intangible Assets | - |
| <i>(Include financial instruments that are impaired)</i> | - |
| Total Impairment Loss | - |

(Provide brief explanation on assets impairment loss)

19. Cash and Cash Equivalents

| Name Of Bank and Account No. | 2024/2025 | Opening Statement 1 st July 2024 |
|---|--------------------|--|
| | Kshs | Kshs |
| Bank Accounts (Cash Book Bank Balance) | | |
| <i>Name Of Bank, Account No. (Operations account)</i> | 107,476,585 | 93,895,015 |
| <i>Operations account pending closure (Indicate name & account no.)</i> | - | - |
| <i>Name of Bank, account No. (Deposit account)</i> | 849,348 | 274,470 |
| <i>Name of Bank, account No. (PMC accounts)</i> | 28,196,441 | 29,817,302 |
| Total | 136,522,374 | 123,986,787 |
| Cash Balances | | |
| Location 1 | - | - |
| Location 2 | - | - |
| Other Locations <i>(Specify)</i> | - | - |
| Total | - | - |

(A schedule of all reconciled PMC bank balances as at the end of the period is provided)

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20. Receivables from Exchange Transactions

| Description | 2024/2025 | Opening Statement 1 st July 2024 |
|---|-----------|--|
| | Kshs | Kshs |
| Total receivables | | |
| Other exchange debtors (<i>Specify</i>) | - | - |
| Less: impairment allowance | - | - |
| Total receivables | - | - |
| a. Current receivables | - | - |
| b. Non-current receivables | - | - |
| Total Receivables (a+b) | - | - |

i. Ageing Analysis for Receivables

| Description | 2024/2025 | | Opening Statement 1 st July 2024 | |
|--------------------|---------------|-------------------|--|-------------------|
| | Current FY | % of the total | Opening Balance | % of the total |
| Less than 1 year | - | % | - | % |
| Between 1- 2 years | - | % | - | % |
| Between 2-3 years | - | % | - | % |
| Over 3 years | - | % | - | % |
| Total (a+b) | - | % | - | % |

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21. Receivables from Non-Exchange Transactions

| Description | 2024/2025 | | Opening Statement 1 st July 2024 | |
|--|-------------------|-----------------------|--|-----------------------|
| | Kshs | | Kshs | |
| Transfers from NGCDFB | 52,790,716 | | 36,307,407 | |
| Outstanding imprest | - | | - | |
| Total | 52,790,716 | | 36,307,407 | |
| Ageing Analysis- Receivables from non-exchange transactions | FY | % of the total | Opening Balance | % of the total |
| Less than 1 year | 52,790,716 | 100% | 36,307,407 | 100% |
| Between 1-2 years | | % | | % |
| Over 3 years | | % | | % |
| Total | 52,790,716 | 100% | 36,307,407 | 100% |

22. Prepayments

| Description | 2024/2025 | | Opening Statement 1 st July 2024 | |
|--------------------------------------|---------------|--|--|--|
| | Kshs | | Kshs | |
| Prepaid Rent | - | | 0 | |
| Prepaid Insurance | 69,252 | | 0 | |
| Prepaid Electricity Costs | - | | 0 | |
| Other Prepayments (<i>Specify</i>) | - | | 0 | |
| Total | 69,252 | | 0 | |

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23. Property, Plant and Equipment

| | Land | Buildings | Motor vehicles | Infrastructure Assets | Furniture and fittings | Computers & ICT Equipment | Work in progress | Total |
|---|------|-----------|----------------|-----------------------|------------------------|---------------------------|------------------|------------------|
| Depreciation Rate(specify) | 0% | 10% | 25% | 20% | 12.5% | 30% | | |
| Cost | Kshs | Kshs | Kshs | Kshs | Kshs | Kshs | Kshs | Kshs |
| Opening Bal as 1 st July 2024 | - | | | - | - | - | - | - |
| Additions | - | | | - | 396,000 | 745,500 | - | 1,141,500 |
| Disposals | - | | | - | - | - | - | - |
| Transfer/Adjustments | - | | | - | - | - | - | - |
| As At 30th June 2025 | - | | | | 396,000 | 745,500 | - | 1,141,500 |
| Depreciation And Impairment | | | | | | | | |
| Opening Depreciation | - | | | - | - | - | - | - |
| Depreciation | - | | | - | 81,000 | 148,050 | - | 229,050 |
| Disposals | - | | | - | - | - | - | - |
| Impairment | - | | | - | - | - | - | - |
| Transfer/Adjustment | - | | | - | - | - | - | - |
| As At 30th June 2025 | - | | | - | 81,000 | 148,050 | - | 229,050 |
| Net Book Values | | | | | | | | |
| Opening Bal as at 1 st July 2024 | - | | | - | - | - | - | - |
| As At 30th June 2025 | - | | | | 315,000 | 597,450 | | 912,450 |

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Valuation

Land and buildings/ Equipment (be specific) were valued by in line with the National Assets and Liabilities Management Policy and Guidelines (Issued 30th June 2020).

23 b) Property, Plant and Equipment at Cost

If the freehold land, buildings and other assets were stated on the historical cost basis the amounts would be as follows:

| | Cost | Accumulated Depreciation | NBV |
|---|-------------|---------------------------------|-------------|
| | Kshs | Kshs | Kshs |
| Land | - | - | - |
| Buildings | - | - | - |
| Plant And Machinery | - | - | - |
| Motor Vehicles, Including Motorcycles | - | - | - |
| Computers And Related Equipment | - | - | - |
| Office Equipment, Furniture, And Fittings | - | - | - |
| Total | - | - | - |

Property plant and Equipment includes the following assets that are fully depreciated:

| | Cost or valuation | Normal annual depreciation charge |
|--|--------------------------|--|
| Plant and Machinery | - | - |
| Motor Vehicles including Motorcycles | - | - |
| Computers and Related Equipment | - | - |
| Office Equipment, Furniture and Fittings | - | - |
| Total | - | - |

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24. Intangible Assets

| Description | 2024/2025 |
|--|-----------|
| | Kshs |
| Cost | |
| Opening balance at 1 st July 2024 | - |
| Additions | - |
| Disposal | - |
| At end of June 2025 | - |
| Amortization and impairment | |
| At beginning of the year | - |
| Amortization | - |
| At end of the year | |
| Impairment loss | - |
| At end of the year | - |
| NBV at July 1st 2024 | - |
| NBV at June 30th 2025 | - |

25. Right-of use assets

| Description | Buildings | Plant | Equipment | Total |
|---------------------------------|-----------|-------|-----------|-------|
| | Kshs | Kshs | Kshs | Kshs |
| Cost | | | | |
| As At 1 July 2024 | - | - | - | - |
| Additions | - | - | - | - |
| As At 30 June 2024 | - | - | - | - |
| Additions | | | | |
| As At 30 June 2025 | | | | |
| | - | - | - | - |
| Accumulated Depreciation | | | | |
| As At 1 July 2024 | - | - | - | - |
| Charge for the period | | | | |
| As At 30 June 2024 | | | | |
| Charge for the period | = | = | = | = |
| As At 30 June 2025 | - | - | - | - |
| | | | | |
| Carrying Amount | | | | |
| As At 30 June 2025 | - | - | - | - |
| As At 30 June 2024. | - | - | - | - |

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26. Trade and Other Payables

| Description | 2024/2025 | | Opening Statement 1 st July 2024 | |
|---|------------------|-----------------------|---|-----------------------|
| | Kshs | | Kshs | |
| Trade payables | - | - | - | - |
| Employee payables | - | - | - | - |
| Other payables | - | - | - | - |
| Total trade and other payables | - | - | - | - |
| | | | | |
| Aging analysis: (Trade and other payables) | 2024-2025 | % of the Total | 1st July 2024 | % of the Total |
| Under one year | - | % | - | % |
| 1-2 years | - | % | - | % |
| 2-3 years | - | % | - | % |
| Over 3 years | - | % | - | % |
| Total (tie to above total) | - | | - | |

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27. Third-Party deposits

| | <i>Period ended June 2025</i> | <i>Opening Statement 1st July 2024</i> |
|--|-------------------------------|---|
| | Kshs | Kshs |
| Retention as at start of the period (A) | 65,825 | 65,825 |
| Retention held during the period (B) | 46,000 | 0 |
| Retention paid during the period (C) | 49,900 | 0 |
| Closing Retention as at period xx, D= A+B-C | 61,925 | 65,825 |

Retentions aging analysis.

| | 2024-2025 | % of the total | 1st July 2024 | % of the total |
|------------------|------------------|-----------------------|---------------------------------|-----------------------|
| Less than 1 year | 61,925 | 100 % | 65,825 | 100 % |
| 1-2 years | - | % | - | % |
| 2-3 years | - | % | - | % |
| Over 3 years | - | % | - | % |
| Total | 61,925 | | 65,825 | |

28. Lease Liabilities

| Description | <i>Period ended June 2025</i> | <i>Opening Statement 1st July 2024</i> |
|--|-------------------------------|---|
| | Kshs | Kshs |
| Balance at the beginning of the period | - | - |
| Discount interest on lease liability | - | - |
| Paid during the period | - | - |
| At end of the period | - | - |

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Maturity Analysis

| Period | Amount |
|-------------------------|---------------|
| Year 1 | - |
| Year 2 | - |
| Year 3 | - |
| Year 4 | - |
| Year 5 and onwards | - |
| Less: unearned Interest | - |
| | - |

Analysed as:

| Description | Amount |
|--------------------|---------------|
| Current | - |
| Non- Current | - |
| Total | - |

29. Gratuity Provision

| Description | Period ended June 2025 | Opening Statement # July 2024 |
|---|-------------------------------|--------------------------------------|
| | Kshs | Kshs |
| Gratuity at the beginning of the period (A) | 208,645 | 208,645 |
| Gratuity held during the period (B) | 578,778 | 0 |
| Gratuity paid during the period (C) | - | 0 |
| Total Gratuity provision as at period xx D=(A+B-C) | 787,423 | 208,645 |

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30. Cash Generated from Operations

| | <i>Period ended June 2025</i> |
|--|-------------------------------|
| | Kshs |
| Surplus for the period before tax | 25,317,915 |
| Adjusted for: | |
| Depreciation | 273,150 |
| Non-cash grants received | - |
| Contributed assets | - |
| Impairment | - |
| Gains and losses on disposal of assets | - |
| Contribution to provisions | - |
| Contribution to impairment allowance | - |
| | 273,150 |
| Working capital adjustments | 25,591,065 |
| Changes in inventory | - |
| Changes in receivables | (16,483,309) |
| changes in prepayments | 6,207 |
| Changes in deferred income | - |
| Changes in Third party deposits | (3,900) |
| Changes in gratuity provision | 578,778 |
| Changes in payments received in advance | - |
| | (15,902,224) |
| Net cash flow from operating activities | 9,688,842 |
| | - |

31. Financial Risk Management

The Entity's activities expose it to a variety of financial risks including credit and liquidity risks and effects of changes in foreign currency. The Entity's overall risk management programme focuses on unpredictability of changes in the business environment and seeks to minimise the potential adverse effect of such risks on its performance by setting acceptable levels of risk. The Entity does not hedge any risks and has in place policies to ensure that credit is only extended to customers with an established credit history. The Entity's financial risk management objectives and policies are detailed below:

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Credit risk

The Entity has exposure to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when due. Credit risk arises from cash and cash equivalents, and deposits with banks, as well as trade and other receivables and available-for-sale financial investments. Management assesses the credit quality of each customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external assessment in accordance with limits set by the directors. The amounts presented in the statement of financial position are net of allowances for doubtful receivables, estimated by the Entity's management based on prior experience and their assessment of the current economic environment.

Financial Risk Management

The carrying amount of financial assets recorded in the financial statements representing the Entity's maximum exposure to credit risk without taking account the value of any collateral obtained is made up as follows:

| Description | Total amount | Fully performing | Past due | Impaired |
|--|--------------------|--------------------|----------|----------|
| | Kshs | Kshs | Kshs | Kshs |
| As at 30th June 2025 | | | | |
| Receivables from exchange transactions | - | - | - | - |
| Receivables from non-exchange transactions | 52,790,716 | 52,790,716 | - | - |
| Bank balances | 107,476,584 | 107,476,584 | - | - |
| Total | 160,267,300 | 160,267,300 | - | - |
| As at 30 June 2024 | | | | |
| Receivables from exchange transactions | - | - | - | - |
| Receivables from non-exchange transactions | 36,307,407 | 36,307,407 | - | - |
| Bank balances | 93,895,015 | 93,895,015 | - | - |
| Total | 130,202,422 | 130,202,422 | - | - |

(NB: The totals column should tie to the individual elements of credit risk disclosed in the Entity's statement of financial position).

Financial Risk Management

The customers under the fully performing category are paying their debts as they continue trading. The credit risk associated with these receivables is minimal and the allowance for uncollectible amounts that the Entity has recognised in the financial statements is considered adequate to cover any potentially irrecoverable amounts. The Entity has significant concentration of credit risk on amounts due from xxx. The board of directors sets the Entity's credit policies and objectives and lays down parameters within which the various aspects of credit risk management are operated.

i) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the Entity's Management, who have built an appropriate liquidity risk management framework for the management of the Entity's short, medium and long-term funding and liquidity management requirements. The Entity manages liquidity risk through continuous monitoring of forecasts and actual cash flows. The table below represents cash flows payable by the Entity under non-derivative financial liabilities by their remaining contractual maturities at the reporting date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.

| Description | Less than 1 month | Between 1-3 months | Over 5 months | Total |
|--|-------------------|--------------------|----------------|----------------|
| | Kshs | Kshs | Kshs | Kshs |
| As at 30th June 2025 | | | | |
| Trade payables | - | - | - | - |
| Current proportion of borrowings | - | - | - | - |
| Provisions | - | - | - | - |
| Deferred income | - | - | - | - |
| Gratuity Provision | - | - | 787,423 | 787,423 |
| Total | - | - | 787,423 | 787,423 |
| As at 30th June 2024 | | | | |
| Trade payables | - | - | - | - |
| Current portion of borrowings | - | - | - | - |
| Provisions | - | - | - | - |
| Deferred income | - | - | - | - |

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| Description | Less than 1 month | Between 1-3 months | Over 5 months | Total |
|-----------------------------|-------------------|--------------------|---------------|-------|
| | Kshs | Kshs | Kshs | Kshs |
| Employee benefit obligation | - | - | - | - |
| Total | - | - | - | - |

ii) Market risk

The *Entity* has put in place an internal audit function to assist it in assessing the risk faced by the Entity on an ongoing basis, evaluate and test the design and effectiveness of its internal accounting and operational controls. Market risk is the risk arising from changes in market prices, such as interest rate, equity prices and foreign exchange rates which will affect the Entity's income or the value of its holding of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. Overall responsibility for managing market risk rests with the Audit and Risk Management Committee. The Entity's Finance Department is responsible for the development of detailed risk management policies (subject to review and approval by Audit and Risk Management Committee) and for the day-to-day implementation of those policies. There has been no change to the Entity's exposure to market risks or the way it manages and measures the risk.

a) Foreign currency risk

The *Entity* has transactional currency exposures. Such exposure arises through purchases of goods and services that are done in currencies other than the local currency. Invoices denominated in foreign currencies are paid after 30 days from the date of the invoice and conversion at the time of payment is done using the prevailing exchange rate. The *Entity* manages foreign exchange risk from future commercial transactions and recognised assets and liabilities by projecting for expected sales proceeds and matching the same with expected payments.

Financial Risk Management

The following table demonstrates the effect on the Entity's statement of comprehensive income on applying the sensitivity for a reasonable possible change in the exchange rate of the three main transaction currencies, with all other variables held constant. The reverse would also occur if the Kenya Shilling appreciated with all other variables held constant.

b) Interest rate risk

Interest rate risk is the risk that the Entity's financial condition may be adversely affected as a result of changes in interest rate levels. The Entity's interest rate risk arises from bank deposits. This exposes the Entity to cash flow interest rate risk. The interest rate risk exposure arises mainly from interest rate movements on the Entity's deposits.

Management of interest rate risk

To manage the interest rate risk, management has endeavoured to bank with institutions that offer favourable interest rates.

Sensitivity analysis

The Entity analyses its interest rate exposure on a dynamic basis by conducting a sensitivity analysis. This involves determining the impact on profit or loss of defined rate shifts. The sensitivity analysis for interest rate risk assumes that all other variables, in particular foreign exchange rates, remain constant. The analysis has been performed on the same basis as the prior year.

Fair value of financial assets and liabilities

a) Financial instruments measured at fair value.

Determination of fair value and fair values hierarchy

IPSAS 30 specifies a hierarchy of valuation techniques based on whether the inputs to those valuation techniques are observable or unobservable. Observable inputs reflect market data obtained from independent sources; unobservable inputs reflect the *Entity's* market assumptions. These two types of inputs have created the following fair value hierarchy:

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- Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities. This level includes listed equity securities and debt instruments on exchanges.
- Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).
- Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs). This level includes equity investments and debt instruments with significant unobservable components. This hierarchy requires the use of observable market data when available. The *Entity* considers relevant and observable market prices in its valuations where possible.

There were no transfers between levels 1, 2 and 3 during the year. Disclosures of fair values of financial instruments not measured at fair value have not been made because the carrying amounts are a reasonable approximation of their fair values.

iv) Capital Risk Management

The objective of the Entity’s capital risk management is to safeguard the Entity’s ability to continue as a going concern. The Entity capital structure comprises of the following funds:

| Description | 2024/2025 | Opening Statement 1 st July 2024 |
|---|-----------|---|
| | Kshs | Kshs |
| Revaluation Reserve | | |
| Retained Earnings | | |
| Capital Reserve | | |
| Total Funds | | |
| Total Borrowings | | |
| Less: Cash and Bank Balances | | |
| Net Debt/(Excess Cash And Cash Equivalents) | | |
| Gearing | - | - |

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32. Related Party Disclosures

| | 2024/2025 | Opening Statement 1st July 2024 |
|--|--------------------|---|
| | Kshs | Kshs |
| Committee Members Remuneration | | |
| Sitting allowance of committee Members during the year | 1,128,000 | 1,128,000 |
| | | |
| Transaction with the NGCDF Board | | |
| Transfers from the NGCDF Board during the year | 189,874,939 | 253,479,424 |
| Total | 191,002,939 | 254,607,424 |

33. Segment Information

(Where an organisation operates in different geographical regions or in departments, IPSAS 18 on segmental reporting requires an Entity to present segmental information of each geographic region or department to enable users understand the Entity's performance and allocation of resources to different segments)

34. Contingent Assets and Contingent Liabilities

Contingent Assets

| Description | 2024/2025 | Opening Statement 1st July 2025 |
|--|------------------|---|
| | Kshs | Kshs |
| Contingent Assets | | |
| Insurance Reimbursements | - | - |
| Assets Arising from Determination Of Court Cases | - | - |
| Reimbursable Indemnities and Guarantees | - | - |
| Receivables From Other Government Entities | - | - |
| Others (Specify) | - | - |
| Total | - | - |

(Give details)

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Contingent Liabilities

| Description | 2024/2025 | Opening Statement 1 st July 2024 |
|--|-----------|---|
| | Kshs | Kshs |
| Contingent Liabilities | - | - |
| Court Case xx against the Entity | - | - |
| Bank Guarantees in Favour of Subsidiary | - | - |
| Contingent Liabilities arising from Contracts Including PPPs | - | - |
| Others (Specify) | - | - |
| Total | - | - |

35. Capital Commitments

| Capital Commitments | 2024/2025 | Opening Statement 1 st July 2024 |
|-------------------------------|-----------|---|
| | Kshs | Kshs |
| Authorised for | - | - |
| Authorised and Contracted for | - | - |
| Total | - | - |

(NB: Capital commitments are commitments to be carried out in the next financial year and are disclosed in accordance with IPSAS 17. Capital commitments maybe those that have been authorised by the board but at the end of the year had not been contracted or those already contracted for and ongoing).

36. Events after the Reporting Period

There were no material adjusting and non-adjusting events after the reporting period.

37. Ultimate And Holding Entity

The NG-CDF Ruiru Constituency is a Fund under The National Treasury and Planning & managed by NG-CDFB at the National level, and the NG-CDFC at the constituency level. Its ultimate parent is the Government of Kenya.

38. Currency

The financial statements are presented in Kenya Shillings (Kshs) rounded to the nearest Kshs.

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18. Annexes

Annex 1: Summary of Asset Register

| Asset class | Historical Cost/valuation cost balance brought forward (Kshs) | Additions during the year (Kshs) | Disposals during the year (Kshs) | Historical Cost (Kshs) At Year End |
|---|---|----------------------------------|----------------------------------|------------------------------------|
| Land | - | - | - | - |
| Buildings and structures | 12,263,605 | - | - | 12,263,605.00 |
| Transport equipment | 4,940,730 | - | - | 4,940,730.00 |
| Office equipment, furniture, and fittings | 2,813,455 | 396,000 | - | 3,209,455.00 |
| ICT Equipment and Other ICT Assets | 889,647 | 745,500 | - | 1,635,147.00 |
| Other Machinery and Equipment | - | - | - | - |
| Intangible assets | - | - | - | - |
| Total | 20,907,437 | 1,141,500 | | 22,048,937.00 |

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Annex 2 –PMC Bank Balances As At 30th June 2025

| PMC | Bank | Account number | Bank Balance June, 30th 2025 | Bank Balance Comparative FY |
|---------------------|--------------|-----------------------|--|--|
| ST GEORGE'S PRIMARY | EQUITY RUIRU | 870263351691 | 2,631.00 | 41,154.00 |
| NGEWE PRIMARY | EQUITY RUIRU | 870282947876 | 23,370.00 | 23,370.00 |
| RUIRU PRIMARY | EQUITY RUIRU | 870279117203 | 264,789.00 | 264,789.00 |
| GITOTHUA PRIMARY | EQUITY RUIRU | 870279322333 | 2,481,925.00 | 0.00 |
| MUKUYU PRIMARY | EQUITY RUIRU | 870280822391 | 985,715.00 | 0.00 |
| MWIHOKO PRIMARY | EQUITY RUIRU | 870262670824 | 177,535.00 | 3,334,931.00 |
| MWIKI PRIMARY | EQUITY RUIRU | 870262077715 | 5,088.50 | 23,016.00 |
| GIKUMARI PRIMARY | EQUITY RUIRU | 870262217657 | 31,567.50 | 509,903.00 |
| KWANGETHE PRIMARY | EQUITY RUIRU | 870262670749 | 307,304.00 | 0.00 |
| GITHURAI KIMBO | EQUITY RUIRU | 870262670978 | 37,870.00 | 178,590.00 |
| GATONGORA PRIMARY | EQUITY RUIRU | 8702622671011 | 1,007.00 | 284,802.00 |
| GITHUNGURI PRIMARY | EQUITY RUIRU | 870263351728 | 5,292.50 | 676,798.00 |
| KWIHOTA PRIMARY | EQUITY RUIRU | 870264370015 | 14,887.00 | 240,360.00 |
| KAHAWA WENDANI | EQUITY RUIRU | 870269039508 | 23,913.00 | 314,493.00 |
| KIRATINA PRIMARY | EQUITY RUIRU | 870277472952 | 396,177.00 | 3,590,298.00 |
| MUTUYA PRIMARY | EQUITY RUIRU | 870279808993 | 985,226.00 | 1,832,318.00 |
| MANGUO PRIMARY | EQUITY RUIRU | 870280367755 | 1,625,405.00 | 4,091,319.00 |
| MATOPENI PRIMARY | EQUITY RUIRU | 870280371067 | 214,104.00 | 356,389.00 |

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| PMC | Bank | Account number | Bank Balance June, 30 th 2025 | Bank Balance Comparative FY |
|----------------------|--------------|----------------|---|--------------------------------|
| MWALIMU FARM Primary | EQUITY RUIRU | 870280960702 | 1,255,791.00 | 2,203,997.00 |
| MUTONYA PRIMARY | EQUITY RUIRU | 870286105096 | 3,250,475.00 | 0.00 |
| DEVKI RUIRU TOWNSHIP | EQUITY RUIRU | 870262538860 | 1,286,881.00 | 16,511.00 |
| KWANGETHE SECONDARY | EQUITY RUIRU | 870262670873 | 7,817.00 | 567,058.00 |
| GITHUNGURI SECONDARY | EQUITY RUIRU | 870265787038 | 1,657,136.00 | 350,456.00 |
| RUIRU BOYS | EQUITY RUIRU | 870268720161 | 683,128.00 | 1,459,914.00 |
| RUIRU GIRLS | EQUITY RUIRU | 870298732969 | 1,409.00 | 1,486,513.00 |
| RUIRU KIHUNGURO | EQUITY RUIRU | 870280939658 | 124,555.00 | 0.00 |
| KWIHOTA SECONDARY | EQUITY RUIRU | 870265277382 | 31,253.00 | 0.00 |
| GIKUMARI SECONDARY | EQUITY RUIRU | 870265786931 | 51,731.00 | 2,208,231.00 |
| GITOTHUA SECONDARY | EQUITY RUIRU | 870262670951 | 83.00 | 83.00 |
| GITHURAI MIXED | EQUITY RUIRU | 870262670805 | 100,010.00 | 0.00 |
| SPINNERS BOYS | EQUITY RUIRU | 870262362541 | 0.00 | 0.00 |
| MWIIHOKO SECONDARY | EQUITY RUIRU | 870265487962 | 0.00 | 0.00 |
| RUIRU SPORTS | EQUITY RUIRU | 870268596214 | 0.00 | 0.00 |
| RUIRU ENVIRONMENT | EQUITY RUIRU | 870265478522 | 0.00 | 0.00 |
| RUIRU TVET | EQUITY RUIRU | 870284387875 | 3,085,220.00 | 55,285.00 |
| MWALIMU FARM POLICE | EQUITY RUIRU | 870286561211 | 3,320,000.00 | 0.00 |
| KIU CHIEF OFFICE | EQUITY RUIRU | 870285514824 | 100,595.00 | 0.00 |

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| PMC | Bank | Account number | Bank Balance June, 30th 2025 | Bank Balance Comparative FY |
|--------------------------------------|--------------|-----------------------|--|--|
| MUTUYA POLICE | EQUITY RUIRU | 870281069106 | 3,454.00 | 3,454.00 |
| MUTONYA POLICE | EQUITY RUIRU | 870281069106 | 108,713.00 | 0.00 |
| WATALAMU POLICE | EQUITY RUIRU | 8702854542111 | 0.00 | 0.00 |
| MWIHOKO POLICE | EQUITY RUIRU | 870279964860 | 0.00 | 0.00 |
| MWIKI POLICE POST | EQUITY RUIRU | 870265487965 | 0.00 | 0.00 |
| KIMBO POLICE POST | EQUITY RUIRU | 870282888067 | 0.00 | 11,270.00 |
| GIKUMARI POLICE POST | EQUITY RUIRU | 870282888079 | 0.00 | 0.00 |
| KAHAWA SUKARI ASSISTANT CHIEF OFFICE | EQUITY RUIRU | 870284385578 | 5,175,335.00 | 5,692,000.00 |
| RUIRU DIGITAL HUB | EQUITY RUIRU | 870285607020 | 2,064.00 | 0.00 |
| RUIRU LAW COURTS | EQUITY RUIRU | 870285897492 | 83,502.00 | 0.00 |
| RUIRU LANDS REGISTRY | EQUITY RUIRU | 870286366654 | 269,782.00 | 0.00 |
| GITHURAI DEO OFFICE | EQUITY RUIRU | 870285715521 | 13,700.00 | 0.00 |
| Total | | | 28,196,440.50 | 29,817,302.00 |

Annex 3: Progress On Follow Up of Auditor Recommendations

The following is a summary of issues raised by the external auditor, management comments provided to the auditor, and subsequent progress made on resolving the issues.

Qualified Opinion

| Reference No. on the external audit Report | Issue / Observations from Auditor | Management comments | Status: (Resolved / Not Resolved) | Timeframe: (Put a date when you expect the issue to be resolved) |
|--|---|---|-----------------------------------|--|
| Unsupported PMC Bank Balances | Annex 5 shows PMC Bank balances totaling Ksh. 29,817,302 held at a local bank. However, the cashbooks and certificates of bank balances were not provided for review. In the circumstances, the accuracy of Cash and Cash equivalents could not be confirmed. | The certificates of balance and the cashbooks are available for audit verification. | Not Resolved | Awaiting Appearance before DFAC |

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| Reference No. on the external audit Report | Issue / Observations from Auditor | Management comments | Status: (Resolved / Not Resolved) | Timeframe: (Put a date when you expect the issue to be resolved) |
|---|---|--|-----------------------------------|--|
| 1.0 Irregular Motor Vehicle Maintenance Expenditure | <p>During the year under review, GK vehicle had detailed repairs done but the pre-valuation report was not availed for audit review</p> <p>In the circumstances, the accuracy of the expenditure could not be confirmed.</p> | <p>The pre-inspection and post-valuation report are available for audit verification.</p> | Not Resolved | Awaiting Appearance before DFAC |
| 2.0 Irregularities in Implementation of Primary and Secondary School Projects | <p>The statement of receipts and Expenditure reflects an amount of Ksh. 87,203,308 as transfers to other Government Units. However, the following anomalies were noted:</p> <p>1. Landscaping at Ruiru Primary was not labelled and it was not possible to verify</p> | <p>The landscaping has since been properly labelled while the few works at Githunguri High School projects was rectified before the release of the final Moeity.</p> | Not Resolved | Awaiting Appearance before DFAC |

**National Government Constituencies Development Fund (NGCDF)
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| Reference No. on the external audit Report | Issue / Observations from Auditor | Management comments | Status: (Resolved / Not Resolved) | Timeframe: (Put a date when you expect the issue to be resolved) |
|--|--|---------------------|-----------------------------------|--|
| | <p>the same was done by the Fund.</p> <p>2. Classroom ventilation at Githunguri High School had not been completed and further that there were no barriers on the staircase leading to the classroom entrance.</p> | | | |

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| Reference No. on the external audit Report | Issue / Observations from Auditor | Management comments | Status: (Resolved / Not Resolved) | Timeframe: (Put a date when you expect the issue to be resolved) |
|---|--|---|-----------------------------------|--|
| 3.0 Irregularities in Other Grants and Transfer | <p>The statement of receipts and payments in the financial statements reflects Other Grants and Transfers payments totaling Kshs. 65,349,500. The following anomalies were noted:</p> <p>1. Githunguri High school desks amounting to Ksh. 400,000 - The purchase of desks did not meet the criteria of being an emergency since there was no evidence reflecting the unforeseen and urgent need of desks.</p> <p>2. Non reporting of Emergency Expenditure to the Board</p> | <p>The required evidence/documents demonstrating the urgency in question are available for audit verification</p> <p>Emergency Expenditures are reported to the Board through a dedicated email address (m.e@ngcdf.go.ke) which is available for audit re-verification</p> | Not Resolved | Awaiting Appearance before DFAC |

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| Reference No. on the external audit Report | Issue / Observations from Auditor | Management comments | Status: (Resolved / Not Resolved) | Timeframe: (Put a date when you expect the issue to be resolved) |
|--|---|---------------------|-----------------------------------|--|
| | There was no documentary evidence that all the expenditure on emergency projects had been reported to the Board in the prescribed format. | | | |



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**Name: Phares Karanja
Fund Account Manager.**